



October 1988 Monthly Survey

U 7475-2
November 7, 1988

Surveys of Consumers

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Confidence Traces Sawtooth Pattern at High Level

Index Slips

The Index of Consumer Sentiment was 94.1 in the October 1988 survey, down from 97.3 one month earlier, but above the 89.3 recorded one year earlier. The recent small loss was due to somewhat less favorable personal financial attitudes. Given the record high levels personal financial assessments reached earlier in the year, the October decline is not very troublesome.

Among families with incomes of \$30,000 or more, the Index was 103.0 in October, slightly ahead of the 102.8 recorded one month earlier, and above the 99.9 recorded one year earlier.

Personal Finances Zigzag at High Levels

Consumers' assessments of their own financial situation receded in the October 1988 survey from the record levels recorded in the prior two months. Personal finances have been judged very favorably throughout the past several years, tracing a sawtooth path at high levels. The October results show these measures to be near the low side of that high horizontal path, and indicate the continuation of that zigzag trend.

Among all families in the October survey, 42 percent reported that their financial situation had improved during the past year, down from 49 percent one month earlier. Reports of family income increases were less frequent in October than a month earlier (34, down from 40 percent), and reports of income declines were more frequent (18, up from 12 percent). In addition, complaints that recent price increases had reduced living standards rose (15, up from 9 percent).

Financial prospects for the year ahead continued to be viewed favorably by consumers in the October survey, although they have also weakened from the month earlier reading. Among all families in the October 1988 survey, 36 percent expected their financial situation to improve during the year ahead, down from 41 percent in September. Although worsening finances were expected by just 12 percent of all families in the October 1988 survey, it was up from 8 percent in September. Nearly half of all families (48 percent) expected their financial situation to remain unchanged on balance, considering expected changes in both incomes and prices during the year ahead.

Outlook for Economy Remains Upbeat

Good times financially in the economy as a whole during the year ahead were expected by 54 percent of all families in the October 1988 survey, just ahead of the 53 percent recorded one month earlier. Overall, these expectations were the most favorable recorded during the past year.

Expectations for the economy over the longer run were also upbeat, although they have shown a minor decline from the late summer levels. Among all families, 40 percent expected good times financially in the country as a whole over the next five years, just below the August reading of 43 percent, but above the year earlier reading of 36 percent.

The current low level of the national unemployment rate was expected to remain unchanged by 60 percent of all families in the October 1988 survey, up from 52 percent recorded both one month and one year earlier. The proportion of families that expected increases in the unemployment rate fell to 22 percent in October, from

27 percent one month earlier and 29 percent one year earlier.

Concerns with inflation eased somewhat in the October 1988 survey. The annual rate of inflation was expected to average 5.2% in October 1988, down from 5.5% one month earlier. Although this expected inflation rate is still well above the 4.4% recorded one year earlier, it does represent the first sign of easing in these inflationary fears since the start of the summer.

Concerns over rising interest rates also eased in the October 1988 survey, but they still remain at very high levels. Among all families in the October survey 62 percent expected increases in interest rates during the year ahead, down from 67 percent one month earlier and 71 percent two months earlier.

Home Buying Attitudes Weaken: Price and Mortgage Concerns Rise

Attitudes toward buying conditions for homes weakened in the October 1988 survey, largely due to changing perceptions of trends in home prices and mortgage rates. Among all families, 64 percent thought that home buying conditions were favorable in the October survey, down from 70 percent recorded both one month and one year earlier.

Perceptions of home prices were less favorable in the October survey than one month earlier. Among all families, fewer mentioned the availability of low prices (18, down from 21 percent), and families more frequently voiced complaints about high home prices (18, up from 11 percent). Indeed, the October 1988 survey was the first monthly survey in more than three years that families did not more frequently refer to low home prices than mention high prices when asked to explain their views.

In addition, shifting perceptions of mortgage rate trends made housing purchase decisions seem less pressing. Fewer families mention the appeal of borrowing-in-advance of rising mortgage rates in October than one month earlier (15, down from 21 percent). And even though there were more frequent references to the availability of lower mortgage rates (25, up from 22 percent), these references were offset by increased complaints about high mortgage rates (16, up from 14 percent).

Overall, home buying attitudes are now at their least favorable level in more than two years (except for the depressed November 1987 reading due to the stock

market crash). Nonetheless, the current level of home buying attitudes is still more favorable than at any time prior to the current expansion. Thus, while favorable home buying attitudes have clearly receded from their recent cyclical peak, they remain at very high levels. While these results do indicate a slowing in home sales, the slowdown can be expected to be modest.

Conditions Remain Favorable For Household Durable Goods

Favorable attitudes toward buying conditions for furniture, appliances, and home electronic goods remained widespread in the October 1988 survey, largely due to continued favorable perceptions of market prices. Among all families, 73 percent held favorable attitudes towards household durables, just ahead of the 71 percent recorded one month earlier. Although this does represent a decline from the 79 percent recorded at mid year, it nonetheless remains at a very favorable level.

When asked to explain their views of market conditions for household durables, 32 percent mentioned the availability of discounted prices, compared with just 8 percent that complained about high prices. Overall, these data indicate a favorable outlook for sales of these goods during the Christmas season, with consumers placing continued emphasis on the availability of price discounts.

Vehicle Buying Attitudes Remain Stable

Favorable attitudes toward buying conditions for vehicles have remained largely unchanged during the past few months at favorable levels. Among all families in the October 1988 survey, 60 percent held favorable vehicle buying attitudes, just below the 62 percent average that was recorded during the prior four months. Favorable references to current vehicle prices continued to outnumber complaints about high prices, by the margin of 31 to 19 percent.

* * *

The October 1988 survey included 501 completed interviews, conducted between October 3 and October 31, 1988.

SURVEYS OF CONSUMERS

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Institute for Social Research

SURVEYS OF CONSUMERS

OCTOBER 1988

The October 1988 survey was the 243th in a series of Surveys of Consumers conducted by the Survey Research Center at The University of Michigan. Initiated in 1946, these periodic surveys provide regular assessments of consumer attitudes and expectations, and are used to evaluate economic trends and prospects. The surveys are designed to explore why changes in consumer attitudes and expectations occur, and how these changes influence consumer spending and saving decisions.

All surveys are subject to sampling error because not all members of the population are interviewed. Most results for the total sample will differ by no more than 5 percentage points in either direction from what would have been obtained by using the same methods on the entire population. See the back of this book for sampling error information.

While every effort is made to accurately measure consumer attitudes and expectations, factors other than sampling may also affect the accuracy of these (and other) findings. These factors may include effects of the question wording, the ability of respondents to articulate answers and opinions, refusal to participate in the survey, and incomplete coverage of the population. There are no standard measures of these effects, but their presence should be acknowledged when using these and all other survey data. While measurement effects are present in all surveys, a noted advantage of time-series data is that the non-sampling influences remain relatively constant across samples.

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CHART 1 - RECENT CHANGES
THE INDEX OF CONSUMER SENTIMENT



CHART 1 - HISTORICAL SERIES
THE INDEX OF CONSUMER SENTIMENT

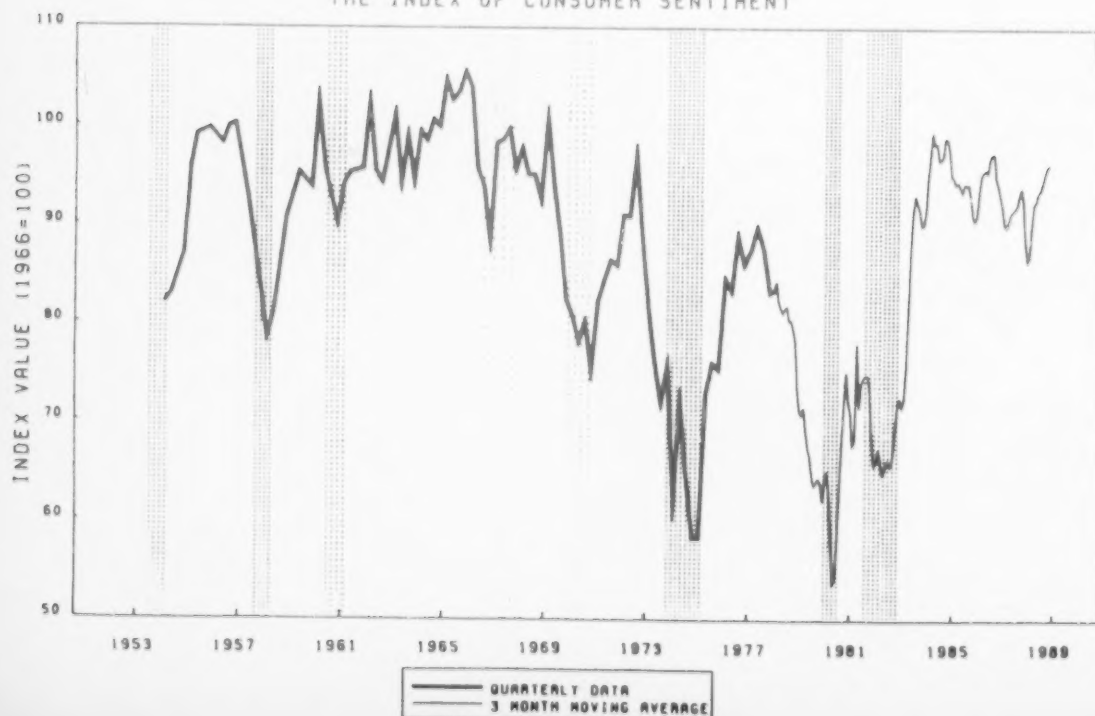


TABLE 1
THE INDEX OF CONSUMER SENTIMENT

DATE OF SURVEY		All families	Families with incomes over \$30,000	Families with incomes over \$40,000
October	1985	88.4	99.6	107.4
November	1985	90.9	100.8	100.3
December	1985	93.9	106.0	108.3
January	1986	95.6	109.7	110.1
February	1986	95.9	107.8	109.0
March	1986	95.1	102.9	110.2
April	1986	96.2	106.9	111.0
May	1986	94.8	105.5	109.9
June	1986	99.3	110.6	112.4
July	1986	97.7	109.6	108.5
August	1986	94.9	105.0	106.6
September	1986	91.9	99.5	102.1
October	1986	95.6	102.8	105.5
November	1986	91.4	97.5	98.7
December	1986	89.1	98.7	98.3
January	1987	90.4	101.2	104.0
February	1987	90.2	103.6	103.6
March	1987	90.8	97.8	96.1
April	1987	92.8	98.5	103.1
May	1987	91.1	97.7	99.2
June	1987	91.5	102.9	102.9
July	1987	93.7	102.5	104.0
August	1987	94.4	104.4	109.1
September	1987	93.6	100.6	104.3
October	1987	89.3	99.9	101.8
November	1987	83.1	87.7	90.5
December	1987	86.8	94.5	96.1
January	1988	90.8	99.0	99.9
February	1988	91.6	98.1	100.8
March	1988	94.6	103.7	104.6
April	1988	91.2	99.1	99.6
May	1988	94.8	106.6	108.3
June	1988	94.7	102.3	102.7
July	1988	93.4	100.5	103.9
August	1988	97.4	105.1	104.2
September	1988	97.3	102.8	105.4
October	1988	94.1	103.0	103.7

CHART 2A - HISTORICAL SERIES
INDEX OF CONSUMER SENTIMENT WITHIN REGION SUBGROUPS

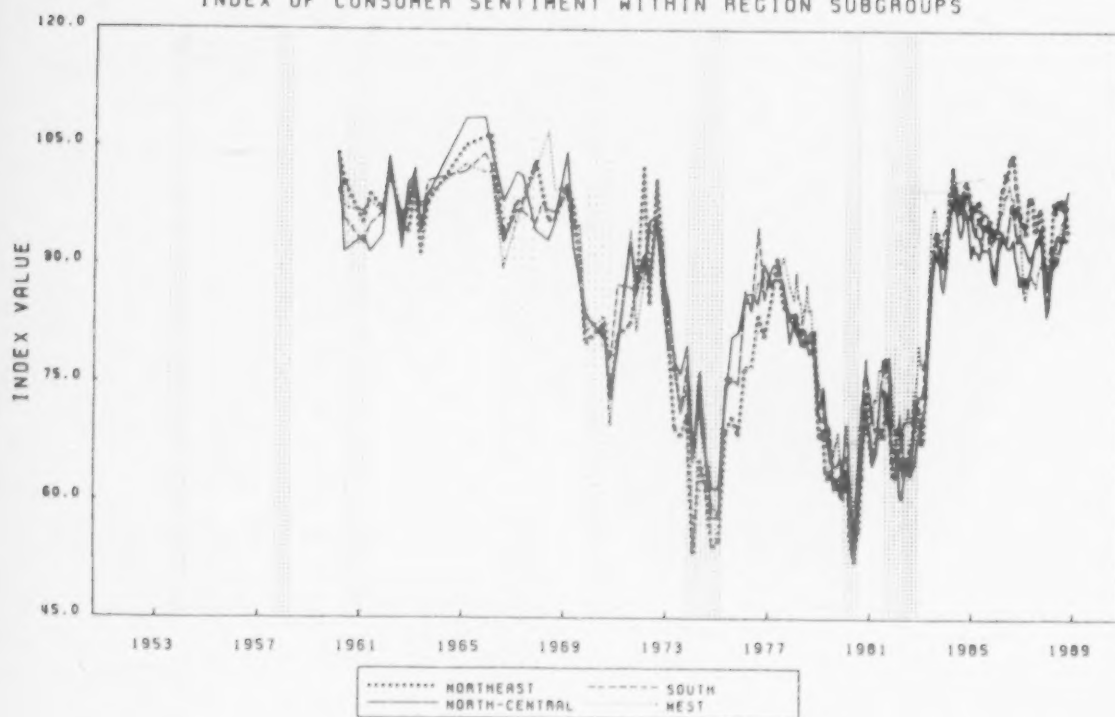


CHART 2B - HISTORICAL SERIES
INDEX OF CONSUMER SENTIMENT WITHIN AGE SUBGROUPS

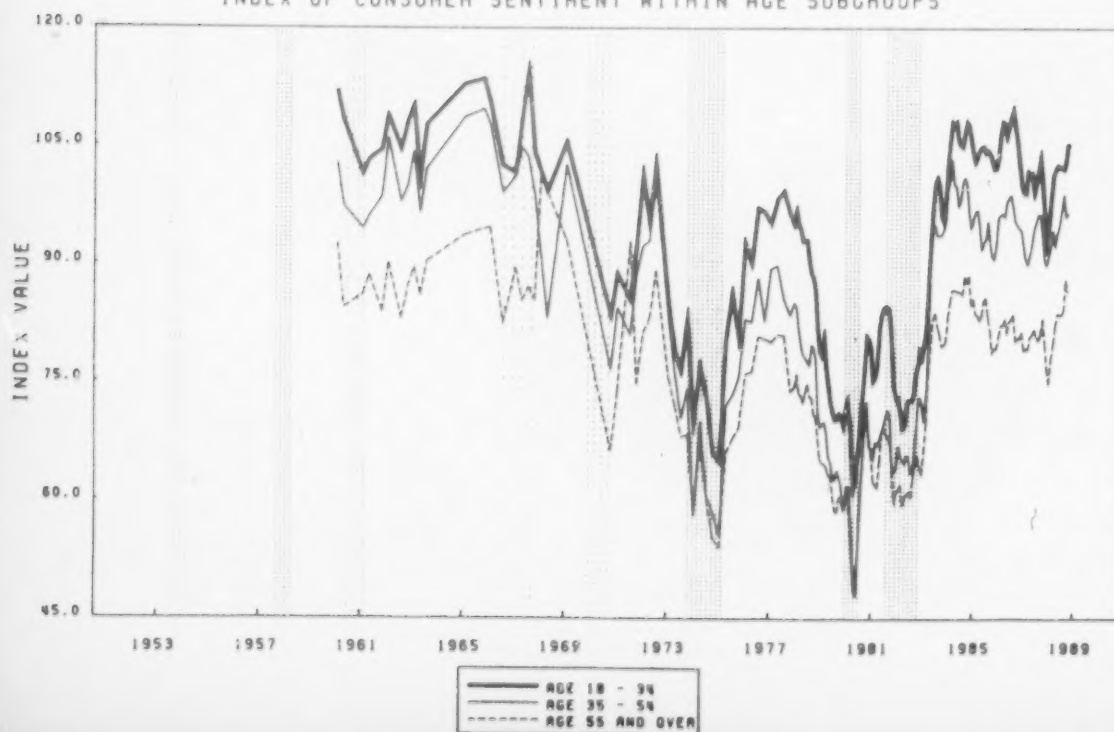


TABLE 2
INDEX OF CONSUMER SENTIMENT WITHIN REGION AND AGE SUBGROUPS

DATE OF SURVEY	CENSUS REGION				AGE OF RESPONDENT		
	North East	North Central	South	West	18-34	35-54	55+
October 1985	92.3	81.7	90.7	90.0	101.6	88.6	76.0
November 1985	92.8	90.7	88.4	93.1	101.1	93.5	79.3
December 1985	98.2	90.8	92.0	98.1	103.8	95.3	82.6
January 1986	96.7	93.9	98.2	93.7	105.5	99.4	80.8
February 1986	103.4	92.7	93.2	98.0	109.7	94.1	83.8
March 1986	99.1	94.9	91.3	98.9	109.1	96.0	82.0
April 1986	102.7	92.3	94.4	99.5	104.8	97.8	83.6
May 1986	101.2	90.1	93.5	98.8	104.9	99.9	78.3
June 1986	106.2	94.1	98.5	102.7	112.7	97.9	86.6
July 1986	103.9	93.4	101.7	94.7	108.2	98.6	84.5
August 1986	102.5	92.6	90.5	98.2	107.9	95.2	80.1
September 1986	94.6	87.0	91.9	95.8	106.3	92.4	76.1
October 1986	99.1	90.0	96.5	99.3	102.5	97.3	85.7
November 1986	95.8	85.6	93.2	92.3	99.5	94.2	80.4
December 1986	91.8	90.4	89.5	84.0	98.0	91.3	78.3
January 1987	98.1	85.9	96.0	83.9	99.9	91.2	78.4
February 1987	92.4	89.5	90.7	89.2	99.1	89.2	81.5
March 1987	104.6	86.3	87.5	91.2	106.4	89.3	77.7
April 1987	99.4	91.7	93.7	87.2	99.0	95.1	83.5
May 1987	91.3	92.9	92.1	87.1	99.5	92.8	82.1
June 1987	92.5	92.2	91.5	89.7	99.0	95.5	80.0
July 1987	100.1	95.7	93.8	85.2	103.0	97.8	80.2
August 1987	99.0	91.0	95.2	93.2	103.3	95.8	80.8
September 1987	92.2	94.7	94.9	91.5	104.1	95.4	82.6
October 1987	93.8	87.2	88.3	89.1	92.0	89.9	86.2
November 1987	83.9	79.6	87.9	79.4	91.7	86.6	70.8
December 1987	83.4	83.6	90.4	89.2	94.1	92.9	73.6
January 1988	99.8	91.3	87.6	88.5	98.3	93.6	80.1
February 1988	93.7	92.1	92.8	86.3	102.5	90.3	79.9
March 1988	101.2	92.9	91.6	95.3	103.5	98.9	80.0
April 1988	94.9	93.9	88.6	89.0	100.0	87.5	86.6
May 1988	99.1	95.5	91.1	97.3	104.2	95.4	84.7
June 1988	98.1	91.2	95.9	95.2	103.1	102.0	79.5
July 1988	98.3	92.0	91.8	94.0	99.6	93.0	86.6
August 1988	95.7	100.9	94.4	98.5	103.6	101.7	86.3
September 1988	95.2	101.9	93.3	97.6	106.1	93.3	91.4
October 1988	91.8	96.1	92.9	96.6	105.8	94.6	82.0

CHART 3 - RECENT CHANGES
CURRENT AND EXPECTED COMPONENTS



CHART 3 - HISTORICAL SERIES
CURRENT AND EXPECTED COMPONENTS

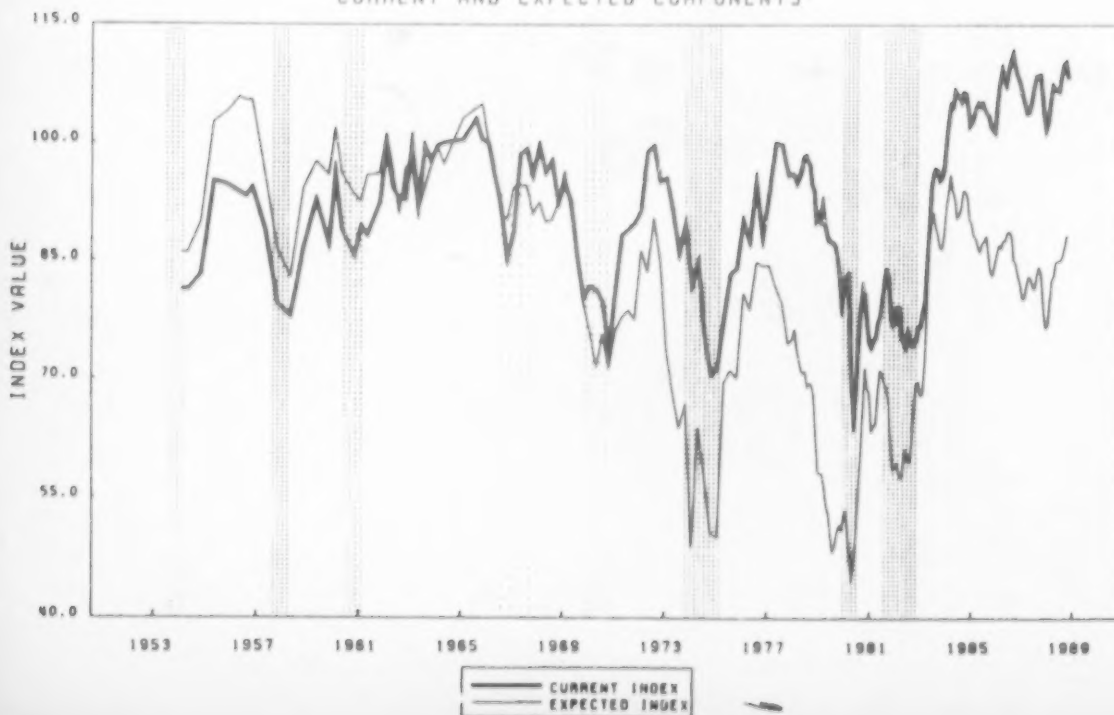


TABLE 3
COMPONENTS OF THE INDEX OF CONSUMER SENTIMENT

DATE OF SURVEY	INDEX COMPONENTS +						
	Personal finances		Business conditions		Buying conds.	Current Index	Expected Index
	Current	Expected	12 months	5 years			
	(1)	(2)	(3)	(4)	(5)	(1,5)	(2,3,4)
October 1985	111	123	111	90	148	100.3	80.8
November 1985	111	124	120	96	150	100.7	84.5
December 1985	120	124	127	103	147	103.1	88.1
January 1986	122	123	126	93	168	111.8	85.3
February 1986	117	123	132	98	164	108.4	87.8
March 1986	120	124	129	96	160	107.9	86.9
April 1986	120	128	133	94	160	108.1	88.5
May 1986	117	129	131	92	158	106.2	87.5
June 1986	124	127	136	100	170	113.3	90.3
July 1986	126	130	131	94	165	112.1	88.5
August 1986	121	128	123	94	161	108.9	85.9
September 1986	120	127	115	84	161	108.3	81.3
October 1986	120	127	124	99	162	108.9	87.1
November 1986	121	121	120	87	155	106.7	81.6
December 1986	116	127	104	83	158	105.8	78.3
January 1987	120	130	117	77	152	105.1	80.9
February 1987	115	126	117	84	153	103.7	81.6
March 1987	114	122	121	92	152	102.5	83.3
April 1987	116	127	116	97	158	105.5	84.7
May 1987	117	121	114	89	161	107.4	80.6
June 1987	120	122	113	89	161	108.1	80.8
July 1987	123	123	118	94	162	109.9	83.3
August 1987	122	127	125	93	157	107.8	85.8
September 1987	119	124	122	92	162	108.3	84.2
October 1987	118	128	105	90	149	103.1	80.4
November 1987	115	118	93	80	142	99.3	72.7
December 1987	119	120	98	89	147	102.7	76.7
January 1988	122	131	110	84	154	106.2	80.9
February 1988	122	130	108	90	155	106.6	81.9
March 1988	127	133	114	96	156	109.1	85.2
April 1988	117	125	117	89	154	104.8	82.4
May 1988	111	127	125	98	165	106.5	87.3
June 1988	119	129	121	95	163	108.6	85.7
July 1988	120	128	106	96	167	110.7	82.3
August 1988	127	127	125	105	160	110.8	88.8
September 1988	127	133	125	102	157	109.4	89.5
October 1988	114	124	129	97	158	105.0	87.0

(1) See Table 4.

(2) See Table 6.

(3) See Table 15.

(4) See Table 16.

(5) See Table 21.

+ : Percent saying "GOOD TIMES" (or "BETTER"), minus percent saying "BAD TIMES" (or "WORSE"), plus 100.

CHART 4 - RECENT CHANGES
CURRENT FINANCIAL SITUATION COMPARED WITH A YEAR AGO



CHART 4 - HISTORICAL SERIES
CURRENT FINANCIAL SITUATION COMPARED WITH A YEAR AGO

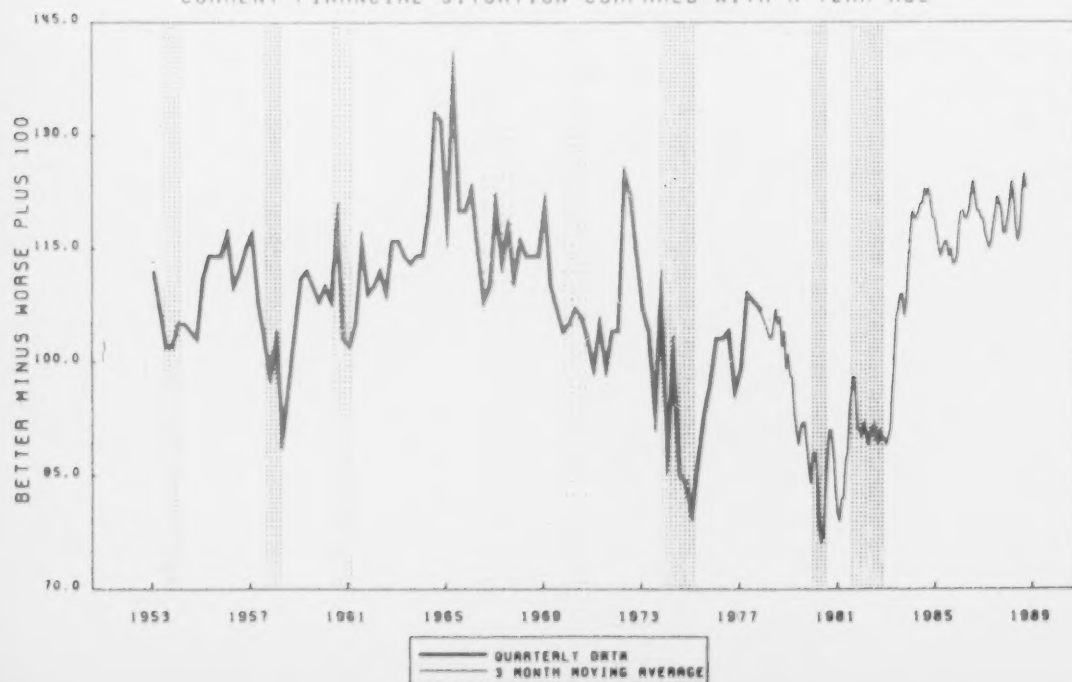


TABLE 4
CURRENT FINANCIAL SITUATION COMPARED TO A YEAR AGO

	Oct. 1987	Nov. 1987	Dec. 1987	Jan. 1988	Feb. 1988	Mar. 1988	Apr. 1988	May 1988	June 1988	July 1988	Aug. 1988	Sept 1988	Oct. 1988
BETTER OFF	43%	42%	43%	46%	47%	49%	41%	40%	43%	45%	50%	49%	42%
SAME	32	31	33	29	27	29	34	31	32	29	26	28	30
WORSE OFF	25	27	24	24	25	22	24	29	24	25	23	22	28
DK,NA	*	*	*	1	1	*	1	*	1	1	1	1	*
TOTAL	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%
CASES	500	501	500	502	500	500	504	500	500	501	500	500	501

The question was: "We are interested in how people are getting along financially these days. Would you say that you (and your family living there) are better off or worse off financially than you were a year ago?"

* : Less than half of one percent.

CHART 5A - HISTORICAL SERIES
REASONS FOR OPINIONS ABOUT PERSONAL FINANCIAL SITUATION

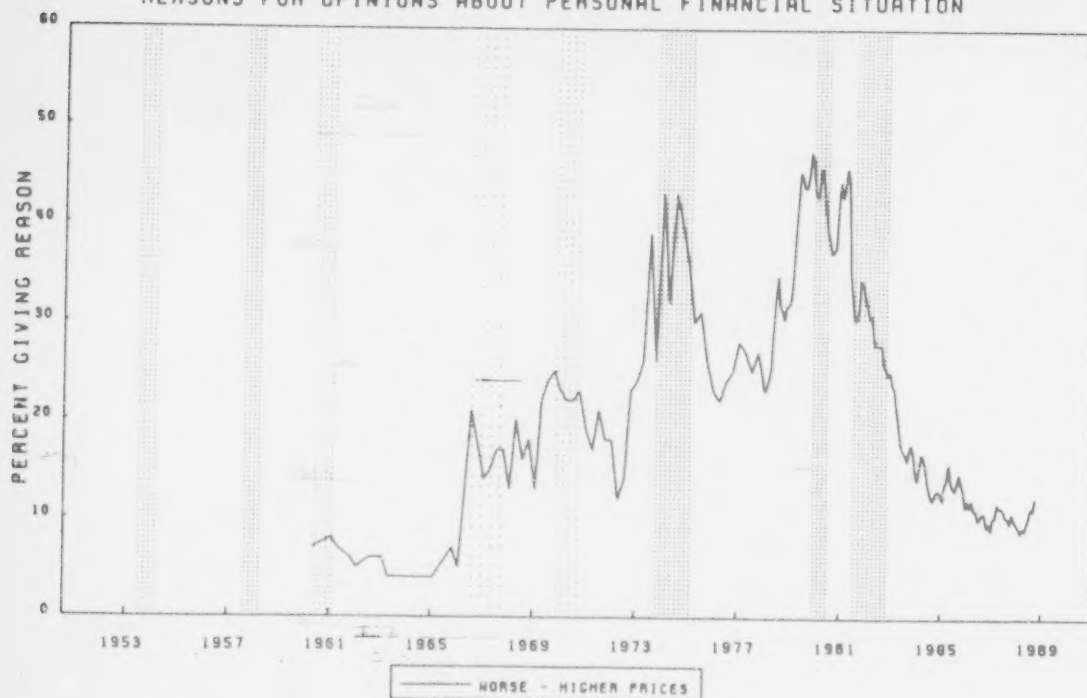


CHART 5B - HISTORICAL SERIES
REASONS FOR OPINIONS ABOUT PERSONAL FINANCIAL SITUATION

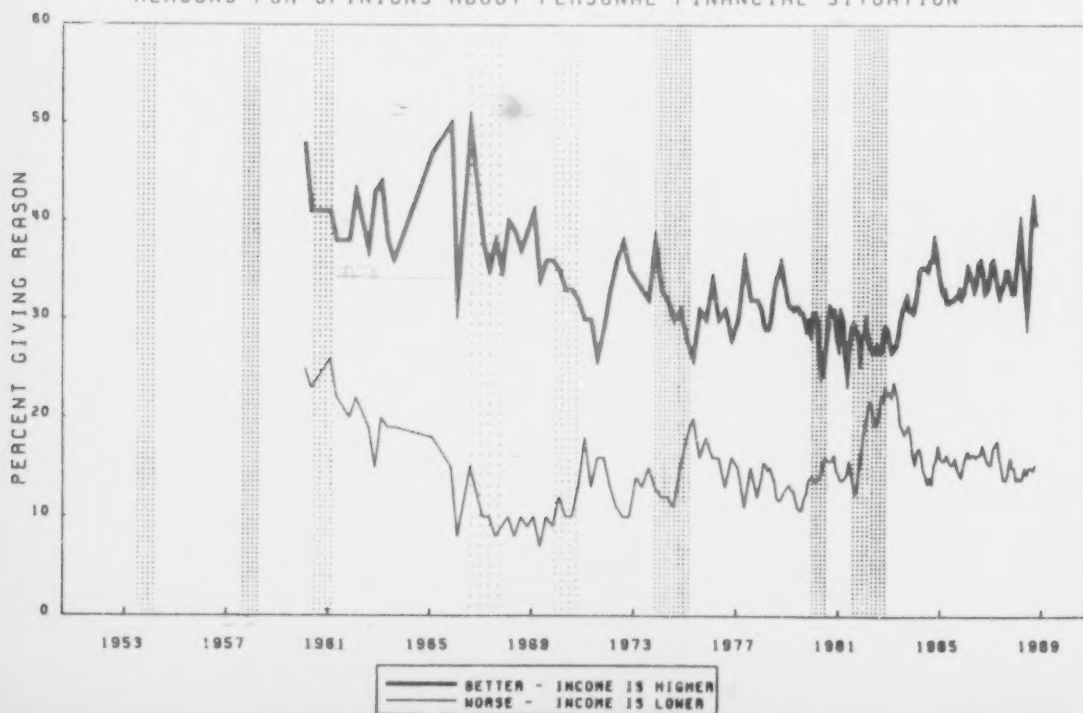


TABLE 5

SELECTED REASONS FOR OPINIONS ABOUT PERSONAL FINANCIAL SITUATION +

	Oct. 1987	Nov. 1987	Dec. 1987	Jan. 1988	Feb. 1988	Mar. 1988	Apr. 1988	May 1988	June 1988	July 1988	Aug. 1988	Sept 1988	Oct. 1988
BETTER OFF THAN YEAR AGO:													
Income is higher	32%	33%	33%	39%	39%	40%	30%	29%	32%	40%	45%	40%	34%
WORSE OFF THAN YEAR AGO:													
Income is lower	17	12	16	13	13	15	14	16	13	16	16	12	18
Higher prices	8	12	10	7	11	8	9	10	10	11	13	9	15

Responses to the query: "Why do you say so?" following the question on Table 4.

+ : May add to more than 100% due to multiple mentions.

CHART 6 - RECENT CHANGES
EXPECTED CHANGE IN FINANCIAL SITUATION

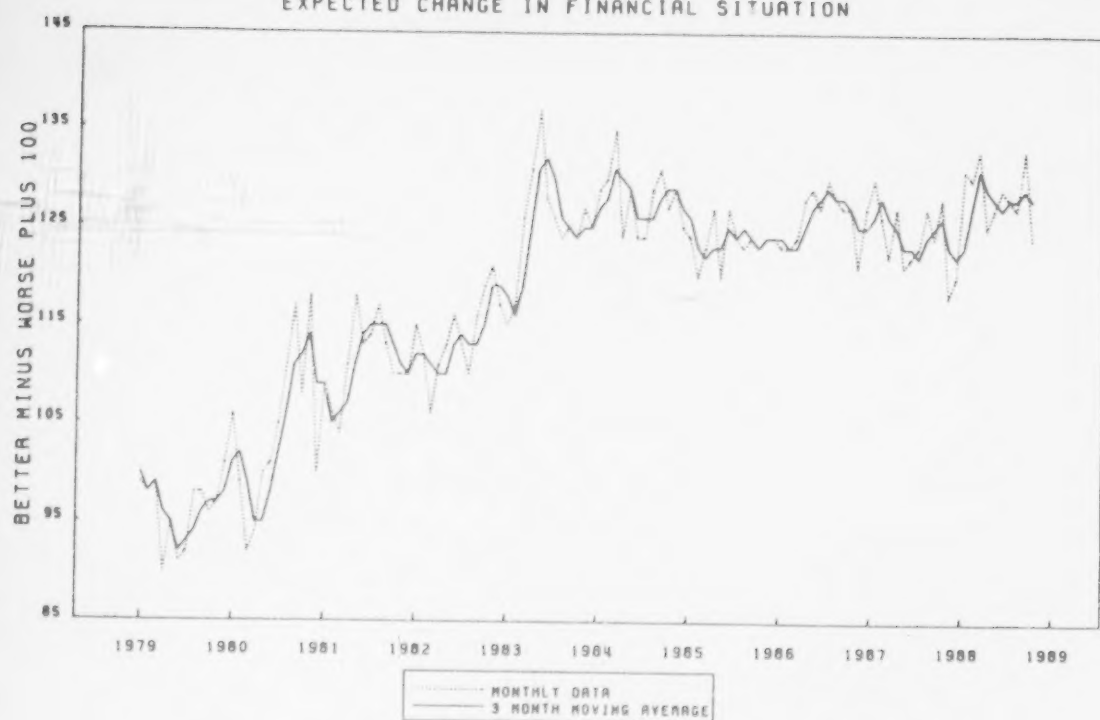


CHART 6 - HISTORICAL SERIES
EXPECTED CHANGE IN FINANCIAL SITUATION

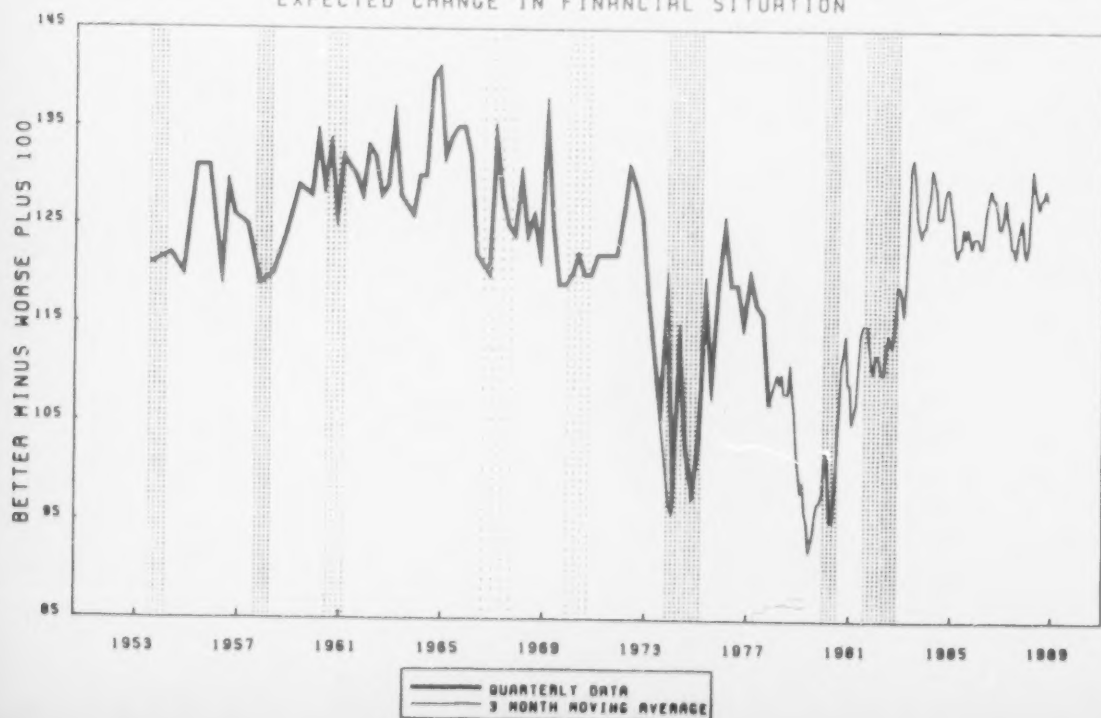


TABLE 6

EXPECTED CHANGE IN FINANCIAL SITUATION

	Oct. 1987	Nov. 1987	Dec. 1987	Jan. 1988	Feb. 1988	Mar. 1988	Apr. 1988	May 1988	June 1988	July 1988	Aug. 1988	Sept 1988	Oct. 1988
BETTER OFF	37%	33%	32%	38%	39%	39%	34%	36%	39%	38%	36%	41%	36%
SAME	51	49	51	53	48	52	54	52	48	48	49	47	48
WORSE OFF	9	15	12	7	9	6	9	9	10	10	9	8	12
DK,NA	3	3	5	2	4	3	3	3	3	4	6	4	4
TOTAL	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%
CASES	500	501	500	502	500	500	504	500	500	501	500	500	501

The question was: "Now looking ahead--do you think that a year from now you (and your family living there) will be better off financially, or worse off, or just about the same as now?"

CHART 7 - RECENT CHANGES
TREND IN PERSONAL FINANCIAL SITUATION

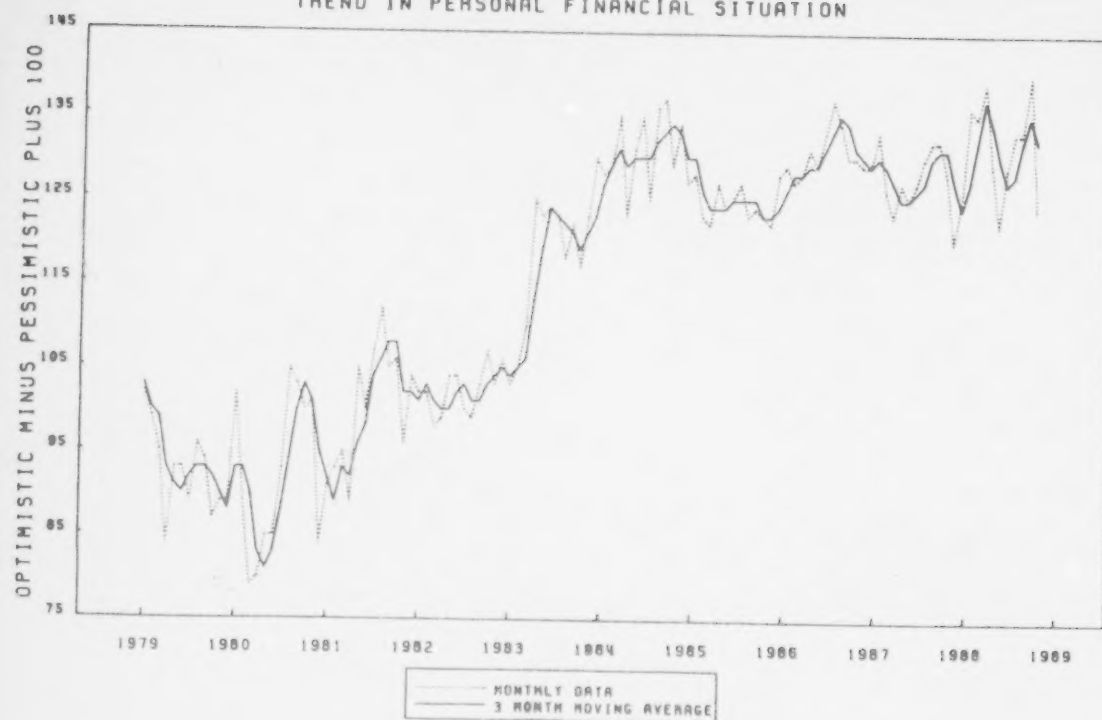


CHART 7 - HISTORICAL SERIES
TREND IN PERSONAL FINANCIAL SITUATION

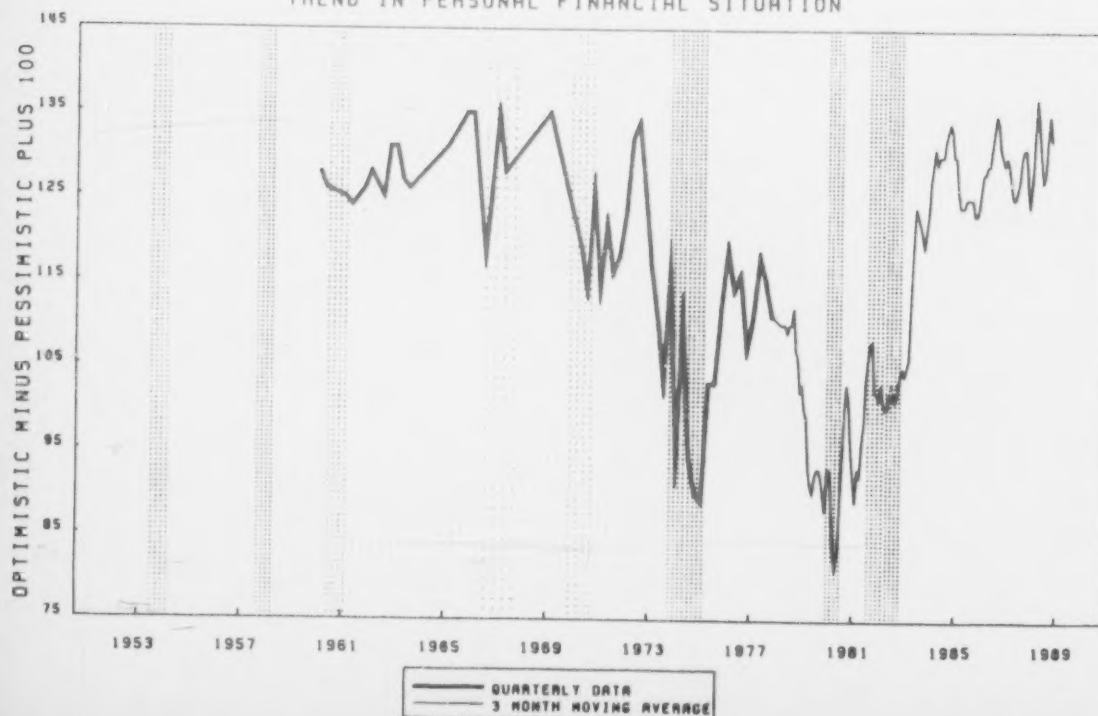


TABLE 7

TREND IN PERSONAL FINANCIAL SITUATION

	Oct. 1987	Nov. 1987	Dec. 1987	Jan. 1988	Feb. 1988	Mar. 1988	Apr. 1988	May 1988	June 1988	July 1988	Aug. 1988	Sept 1988	Oct. 1988
PERSONAL FINANCIAL PROGRESS:													
Continuous increase (a)	23%	19%	17%	21%	20%	25%	18%	19%	24%	19%	25%	25%	20%
Intermittant increase (b)	24	25	27	31	31	30	30	24	25	31	26	28	25
Remain unchanged (c)	21	18	19	19	15	17	20	21	19	16	16	17	18
Intermittant decline (d)	15	18	17	13	13	13	16	17	16	13	14	10	15
Continuous decline (e)	4	6	2	3	3	3	3	4	4	4	4	3	6
Mixed change (f)	10	11	13	11	13	9	9	13	9	13	8	12	11
DK,NA	3	3	5	2	5	3	4	2	3	4	7	5	5
TOTAL	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%
CASES	500	501	500	502	500	500	504	500	500	501	500	500	501

Combination of the responses to the questions on Tables 4 and 6.

Key: (a) Better off financially than a year ago/Better off a year from now
 (b) Better/Same or Same/Better
 (c) Same/Same
 (d) Worse/Same or Same/Worse
 (e) Worse/Worse
 (f) Worse/Better or Better/Worse

CHART 8 - RECENT CHANGES
MEDIAN EXPECTED CHANGE IN FAMILY INCOME



CHART 8 - HISTORICAL SERIES
MEDIAN EXPECTED CHANGE IN FAMILY INCOME

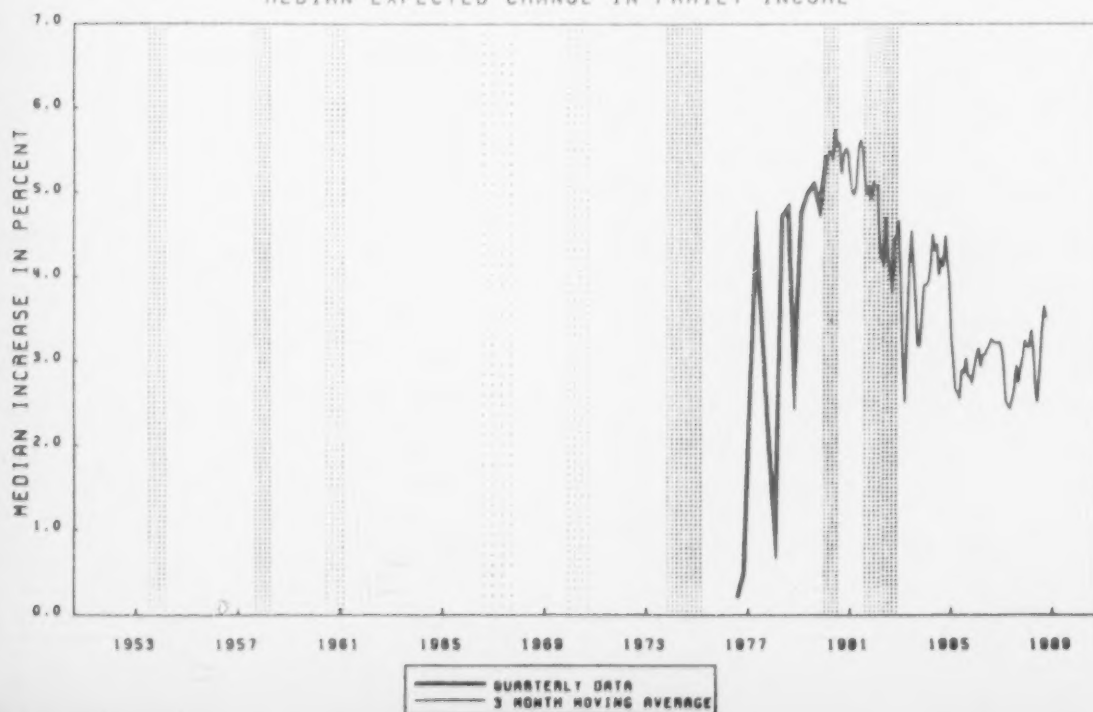


TABLE 8

EXPECTED FAMILY INCOME CHANGE DURING THE NEXT 12 MONTHS

	Oct. 1987	Nov. 1987	Dec. 1987	Jan. 1988	Feb. 1988	Mar. 1988	Apr. 1988	May 1988	June 1988	July 1988	Aug. 1988	Sept 1988	Oct. 1988
EXPECT INCREASE:													
1-4%	15%	18%	19%	18%	16%	16%	16%	15%	15%	18%	14%	16%	16%
5%	10	11	10	12	15	11	9	12	9	10	14	10	12
6-9%	9	8	8	7	8	7	6	7	7	10	9	8	6
10-24%	15	18	14	15	17	17	14	13	15	14	17	16	15
25% or more	5	7	4	6	5	7	6	9	6	7	5	8	6
DK how much up	6	2	3	4	2	2	6	2	5	5	6	6	5
EXPECT SAME	25	21	23	27	23	29	30	28	28	24	25	25	27
EXPECT DOWN	13	13	19	10	12	9	12	13	13	11	9	10	12
DK,NA	2	2	*	1	2	2	1	1	2	1	1	1	1
TOTAL	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%
CASES	500	501	500	502	500	500	504	500	500	501	500	500	501

The questions were: "During the next 12 months, do you expect your (family) income to be higher or lower than during the past year?" and "By about what percent do you expect your (family) income to increase during the next 12 months?"

* : Less than half of one percent.

CHART 9 - RECENT CHANGES
INCOME OR PRICES UP MORE NEXT YEAR

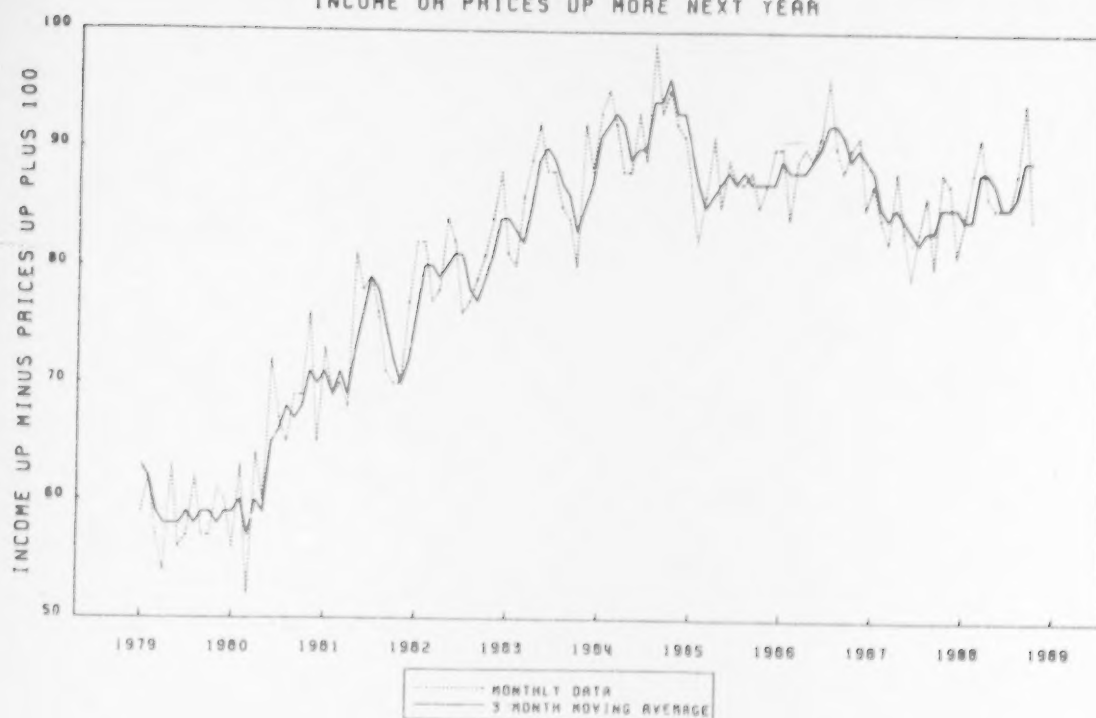


CHART 9 - HISTORICAL SERIES
INCOME OR PRICES UP MORE NEXT YEAR

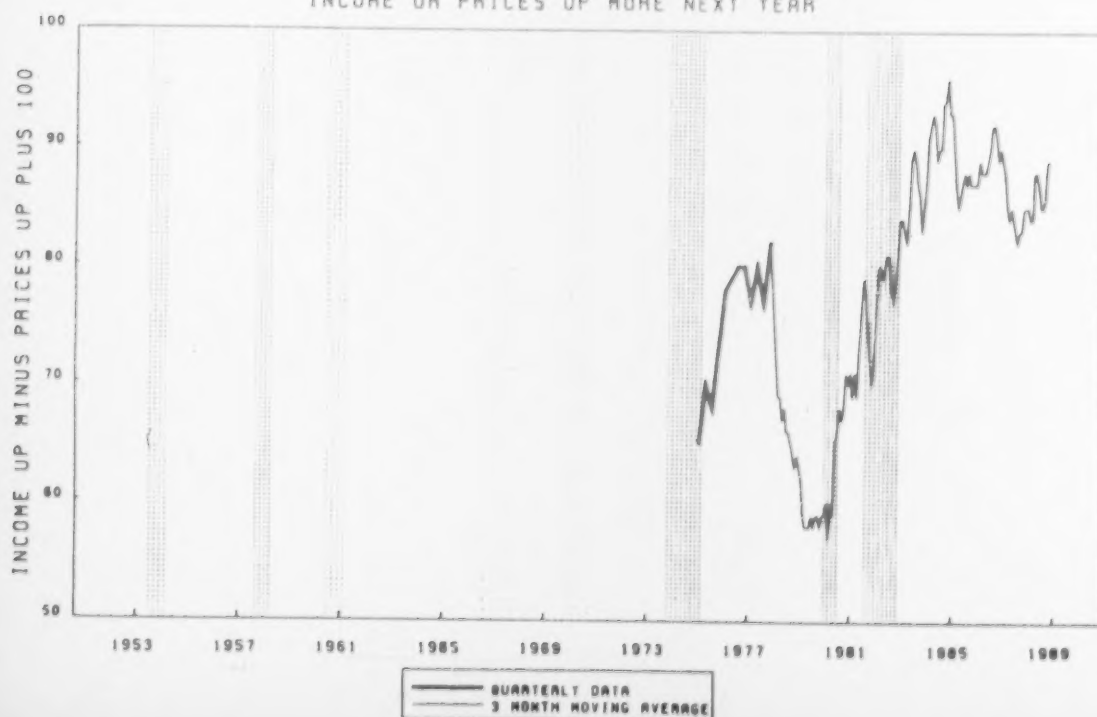


TABLE 9

EXPECTED CHANGE IN REAL FAMILY INCOME

	Oct. 1987	Nov. 1987	Dec. 1987	Jan. 1988	Feb. 1988	Mar. 1988	Apr. 1988	May 1988	June 1988	July 1988	Aug. 1988	Sept 1988	Oct. 1988
INCOME UP MORE	20%	22%	19%	19%	20%	22%	19%	19%	18%	19%	20%	25%	18%
INCOME UP SAME	45	43	41	44	45	44	47	44	46	46	43	41	46
PRICES UP MORE	32	35	38	35	32	31	33	34	33	34	32	31	34
DK,NA	3	*	2	2	3	3	1	3	3	1	5	3	2
TOTAL	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%
CASES	500	501	500	502	500	500	504	500	500	501	500	500	501

The question was: "How about the next year or two--do you expect that your (family) income will go up more than prices will go up, about the same, or less than prices will go up?"

* : Less than half of one percent.

CHART 10 - RECENT CHANGES
NEWS HEARD OF RECENT CHANGES IN BUSINESS CONDITIONS

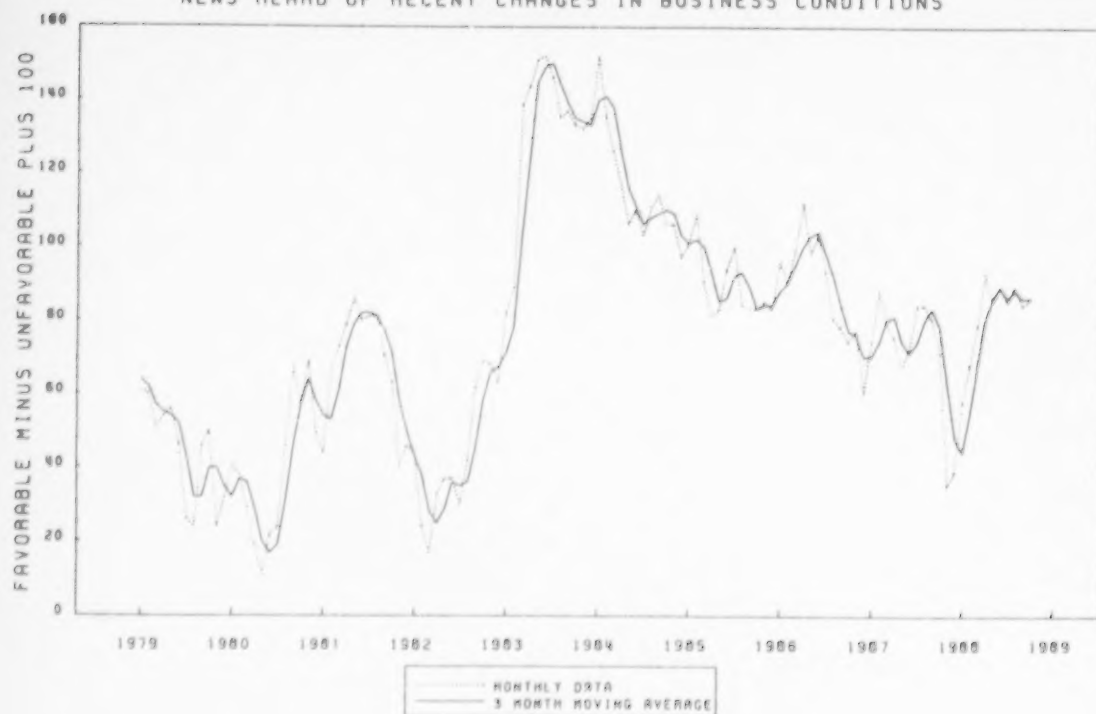


CHART 10 - HISTORICAL SERIES
NEWS HEARD OF RECENT CHANGES IN BUSINESS CONDITIONS

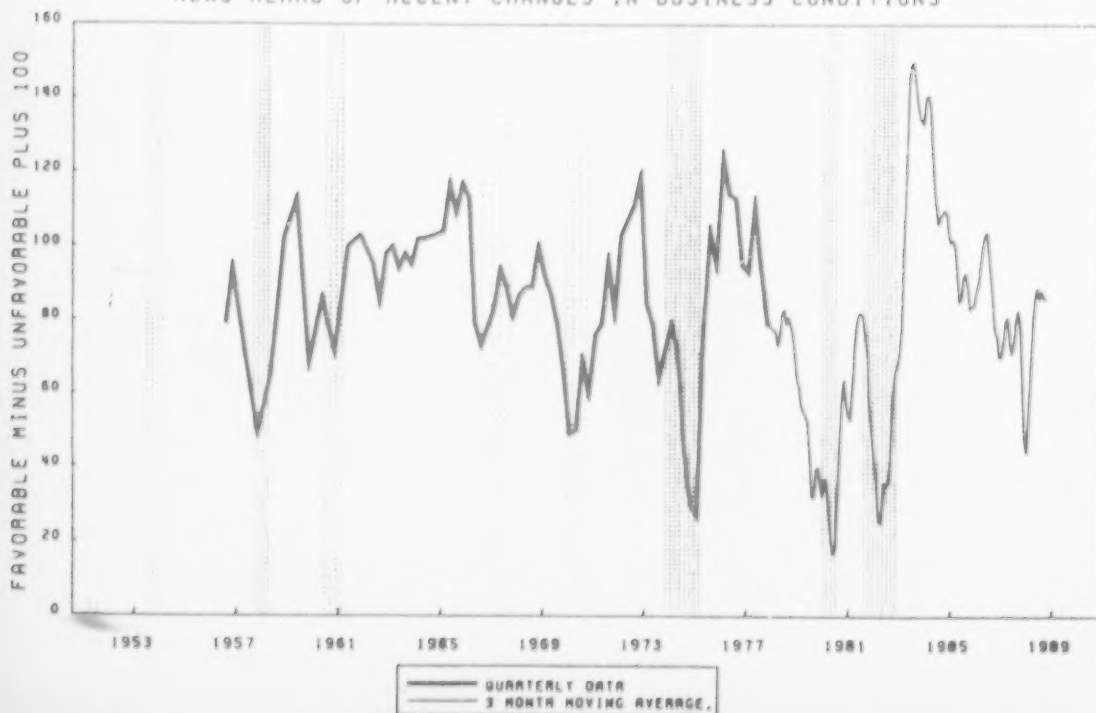


TABLE 10

NEWS HEARD OF RECENT CHANGES IN BUSINESS CONDITIONS +

	Oct. 1987	Nov. 1987	Dec. 1987	Jan. 1988	Feb. 1988	Mar. 1988	Apr. 1988	May 1988	June 1988	July 1988	Aug. 1988	Sept 1988	Oct. 1988
FAVORABLE NEWS	25%	18%	18%	23%	26%	29%	30%	33%	29%	29%	28%	32%	29%
UNFAVORABLE NEWS	54	83	79	65	58	50	37	48	40	44	39	48	43
NO MENTIONS	47	32	36	41	42	45	51	44	50	50	53	46	52

The questions were: "During the last few months, have you heard of any favorable or unfavorable changes in business conditions?" and "What did you hear?"

+ : May add to more than 100% due to multiple mentions.

CHART 11A - HISTORICAL SERIES
TYPE OF NEWS HEARD ABOUT CHANGES IN BUSINESS CONDITIONS

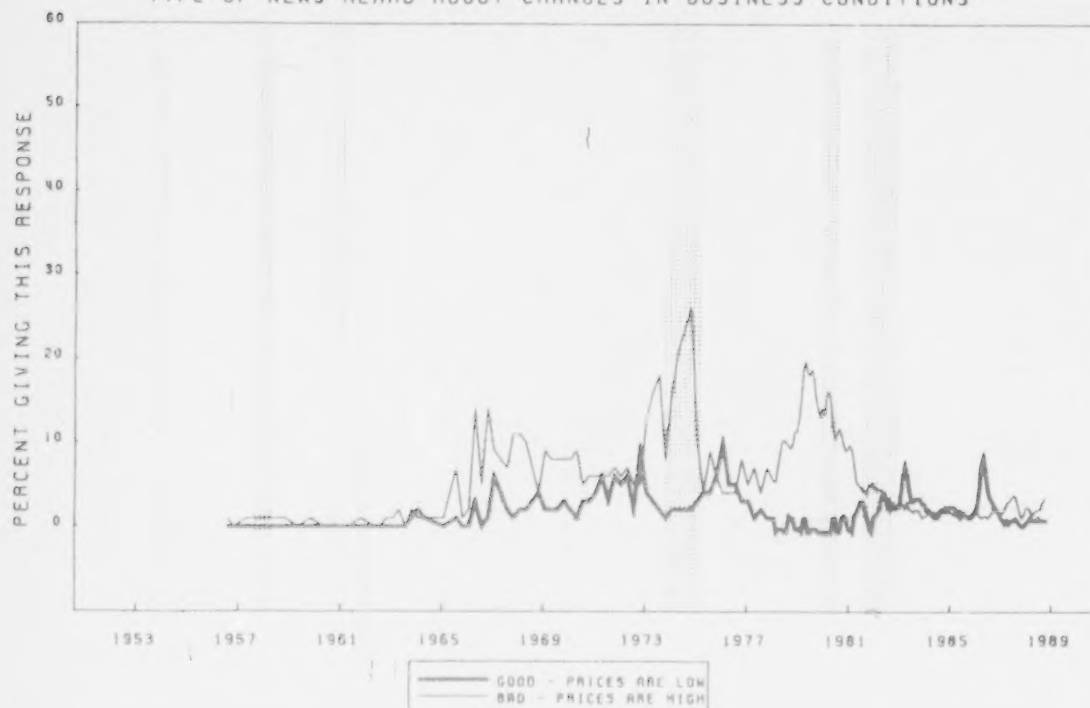


CHART 11B - HISTORICAL SERIES
TYPE OF NEWS HEARD ABOUT CHANGES IN BUSINESS CONDITIONS

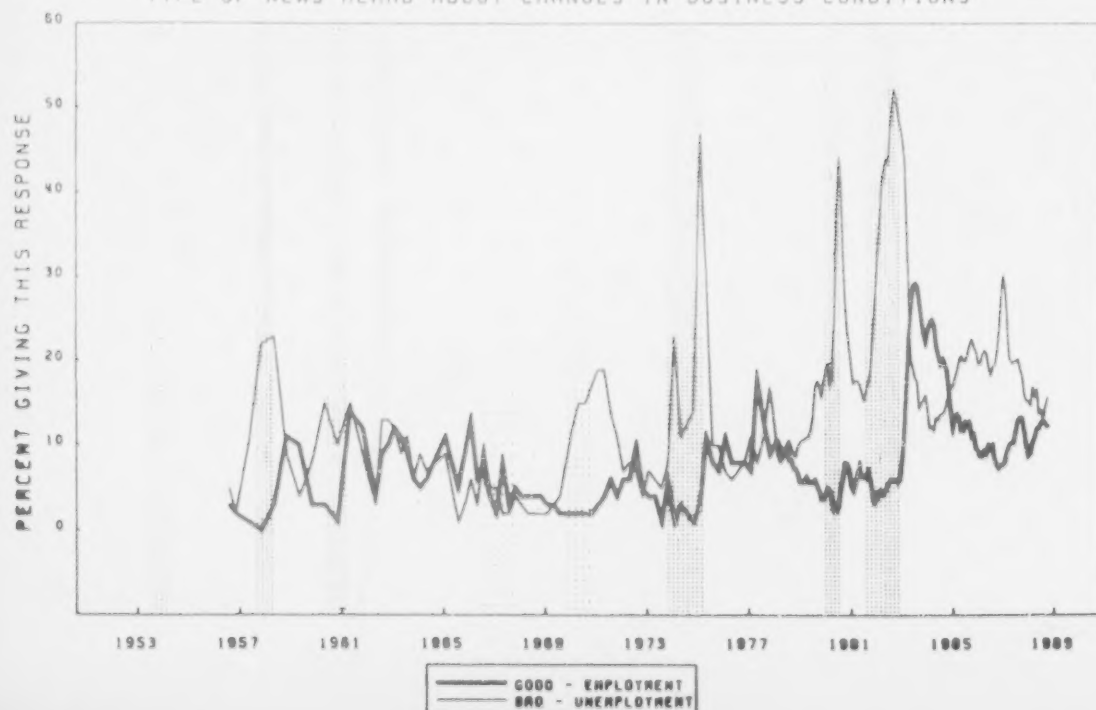


TABLE 11
SELECTED ITEMS OF
NEWS HEARD OF RECENT CHANGES IN BUSINESS CONDITIONS +

	Oct. 1987	Nov. 1987	Dec. 1987	Jan. 1988	Feb. 1988	Mar. 1988	Apr. 1988	May 1988	June 1988	July 1988	Aug. 1988	Sept 1988	Oct. 1988
FAVORABLE NEWS:													
Government; elections	*	*	1%	1%	1%	1%	2%	3%	2%	1%	2%	3%	2%
Employment	13	10	7	9	11	11	11	14	11	13	14	11	12
Higher consumer demand	1	1	1	2	1	2	1	3	1	3	2	2	2
Lower prices	*	*	*	1	1	1	*	1	1	1	*	1	1
Easier credit	1	1	2	1	4	2	2	2	1	1	1	1	1
Stock market	3	2	1	*	1	2	3	2	3	3	1	2	2
Trade deficit	1	1	1	3	2	3	2	1	2	1	1	3	2
UNFAVORABLE NEWS:													
Government; elections	5	6	6	6	6	3	5	5	6	4	3	3	5
Unemployment	16	15	15	16	13	22	12	16	13	14	12	18	17
Lower consumer demand	3	5	4	4	3	1	3	3	2	2	3	3	3
Higher prices	1	1	2	4	1	1	2	2	2	2	2	5	3
Tighter credit	6	5	3	1	2	1	1	4	3	3	7	6	4
Stock market	11	38	32	21	18	10	7	7	6	5	3	2	3
Trade deficit	4	4	7	6	4	3	3	4	3	1	2	1	1

The questions were: "During the last few months, have you heard of any favorable or unfavorable changes in business conditions?" and "What did you hear?"

+ : May add to more than 100% due to multiple mentions.

* : Less than half of one percent.

CHART 12 - RECENT CHANGES
CURRENT BUSINESS CONDITIONS COMPARED WITH A YEAR AGO

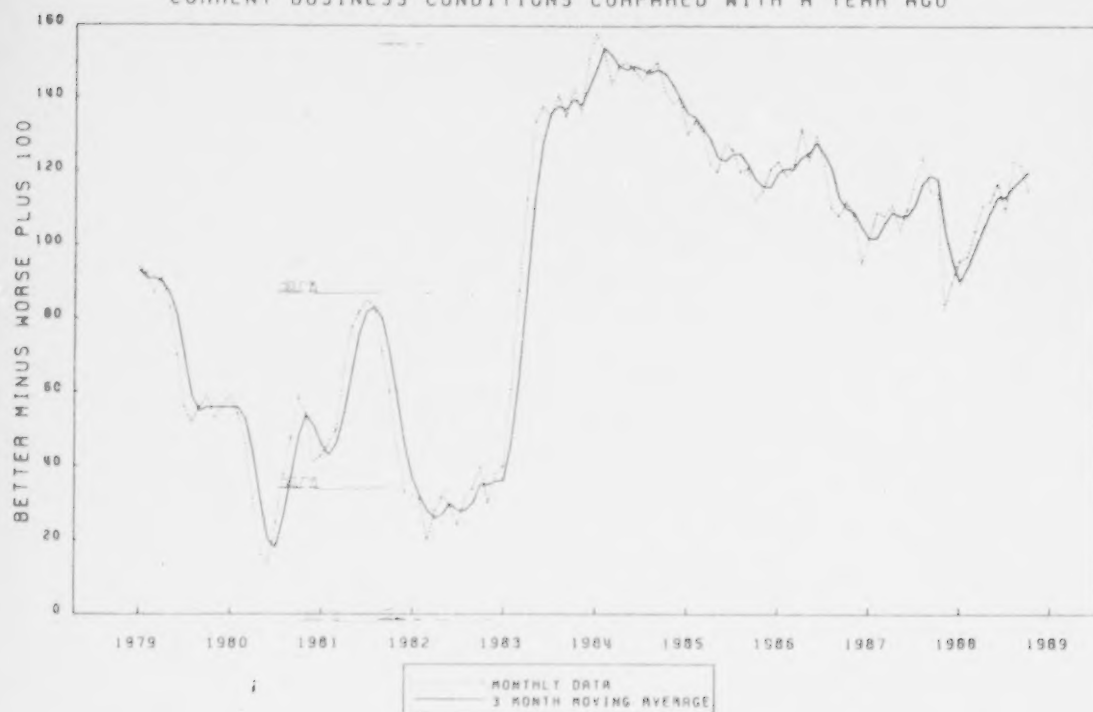


CHART 12 - HISTORICAL SERIES
CURRENT BUSINESS CONDITIONS COMPARED WITH A YEAR AGO

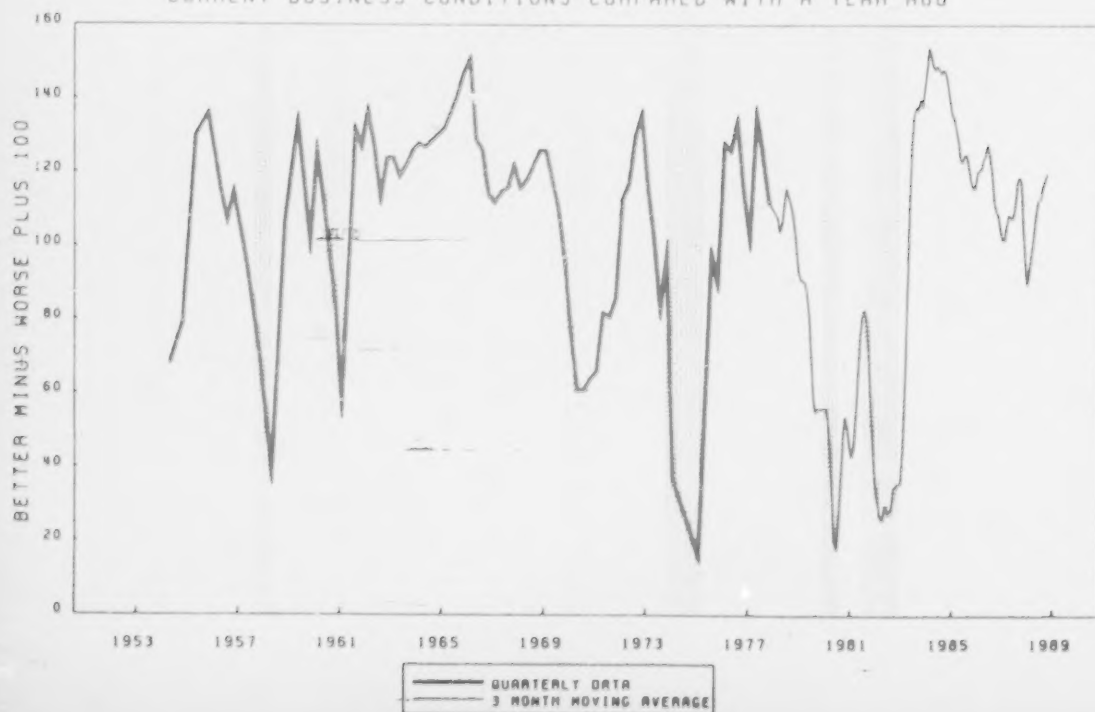


TABLE 12
CURRENT BUSINESS CONDITIONS COMPARED TO A YEAR AGO

	Oct. 1987	Nov. 1987	Dec. 1987	Jan. 1988	Feb. 1988	Mar. 1988	Apr. 1988	May 1988	June 1988	July 1988	Aug. 1988	Sept 1988	Oct. 1988
BETTER NOW	49%	33%	36%	40%	41%	40%	47%	47%	47%	45%	51%	50%	46%
SAME	14	16	15	14	13	21	14	17	21	15	18	20	21
WORSE NOW	35	50	46	44	44	36	36	35	30	36	28	28	31
DK,NA	2	1	3	2	2	3	3	1	2	4	3	2	2
TOTAL	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%
CASES	500	501	500	502	500	500	504	500	500	501	500	500	501

The question was: "Would you say that at the present time business conditions are better or worse than they were a year ago?"

CHART 13 - RECENT CHANGES
EXPECTED CHANGE IN BUSINESS CONDITIONS IN A YEAR



CHART 13 - HISTORICAL SERIES
EXPECTED CHANGE IN BUSINESS CONDITIONS IN A YEAR



TABLE 13

EXPECTED CHANGE IN BUSINESS CONDITIONS IN A YEAR

	Oct. 1987	Nov. 1987	Dec. 1987	Jan. 1988	Feb. 1988	Mar. 1988	Apr. 1988	May 1988	June 1988	July 1988	Aug. 1988	Sept 1988	Oct. 1988
BETTER	22%	23%	22%	21%	23%	21%	21%	26%	24%	23%	24%	27%	23%
SAME	57	52	53	58	58	58	57	53	54	53	54	55	59
WORSE	19	23	23	19	17	17	18	16	19	18	16	14	14
DK,NA	2	2	2	2	2	4	4	5	3	6	6	4	4
TOTAL	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%
CASES	500	501	500	502	500	500	504	500	500	501	500	500	501

The question was: "And how about a year from now, do you expect that in the country as a whole business conditions will be better, or worse than they are at present, or just about the same?"

CHART 14 - RECENT CHANGES
TREND IN PAST AND EXPECTED BUSINESS CONDITIONS



CHART 14 - HISTORICAL SERIES
TREND IN PAST AND EXPECTED BUSINESS CONDITIONS

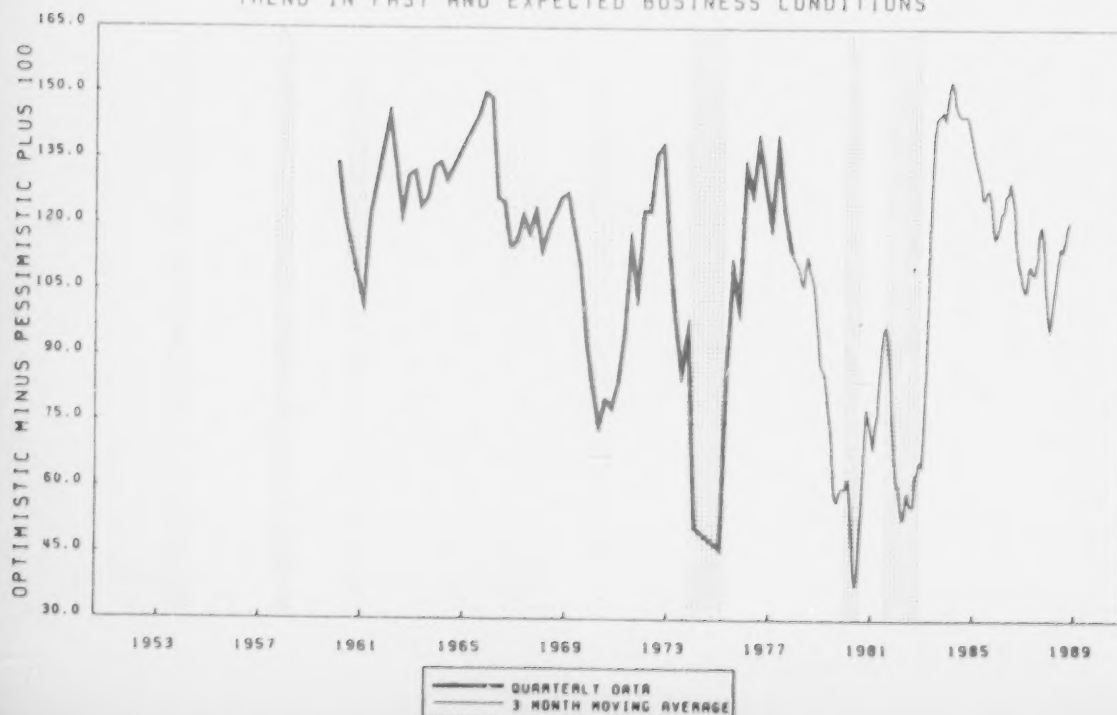


TABLE 14

TREND IN PAST AND EXPECTED CHANGES IN BUSINESS CONDITIONS

	Oct. 1987	Nov. 1987	Dec. 1987	Jan. 1988	Feb. 1988	Mar. 1988	Apr. 1988	May 1988	June 1988	July 1988	Aug. 1988	Sept 1988	Oct. 1988
TREND:													
Continuous increase (a)	16%	10%	10%	11%	12%	10%	14%	16%	15%	12%	18%	18%	15%
Intermittant increase (b)	29	22	24	29	27	30	30	29	30	28	29	31	31
Remain unchanged (c)	10	10	10	8	10	12	9	9	13	9	11	11	13
Intermittant decline (d)	21	26	22	25	24	21	20	20	18	20	17	19	19
Continuous decline (e)	11	16	16	14	12	10	12	10	10	10	8	6	9
Mixed change (f)	10	14	13	10	11	11	9	11	10	12	8	9	7
DK,NA	3	2	5	3	4	6	6	5	4	9	9	6	6
TOTAL	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%
CASES	500	501	500	502	500	500	504	500	500	501	500	500	501

Combination of the responses to the questions on Tables 12 and 13.

Key: (a) Better than a year ago/Better a year from now
 (b) Better/Same or Same/Better
 (c) Same/Same
 (d) Worse/Same or Same/Worse
 (e) Worse/Worse
 (f) Worse/Better or Better/Worse

CHART 15 - RECENT CHANGES
BUSINESS CONDITIONS EXPECTED DURING THE NEXT TWELVE MONTHS



CHART 15 - HISTORICAL SERIES
BUSINESS CONDITIONS EXPECTED DURING THE NEXT TWELVE MONTHS



TABLE 15

BUSINESS CONDITIONS EXPECTED DURING THE NEXT 12 MONTHS

	Oct. 1987	Nov. 1987	Dec. 1987	Jan. 1988	Feb. 1988	Mar. 1988	Apr. 1988	May 1988	June 1988	July 1988	Aug. 1988	Sept 1988	Oct. 1988
GOOD TIMES	43%	38%	41%	47%	45%	47%	50%	54%	54%	44%	52%	53%	54%
UNCERTAIN; GOOD & BAD	3	2	4	4	4	4	4	4	3	4	4	5	7
BAD TIMES	38	45	43	37	37	33	33	29	33	38	27	28	25
DON'T KNOW	7	8	6	7	7	7	9	8	6	9	11	9	8
NOT ASCERTAINED	9	7	6	5	7	9	4	5	4	5	6	5	6
TOTAL	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%
CASES	500	501	500	502	500	500	504	500	500	501	500	500	501

The question was: "Now turning to business conditions in the country as a whole--do you think that during the next 12 months we'll have good times financially, or bad times or what?"

CHART 16 - RECENT CHANGES
BUSINESS CONDITIONS EXPECTED FOR THE NEXT FIVE YEARS



CHART 16 - HISTORICAL SERIES
BUSINESS CONDITIONS EXPECTED FOR THE NEXT FIVE YEARS

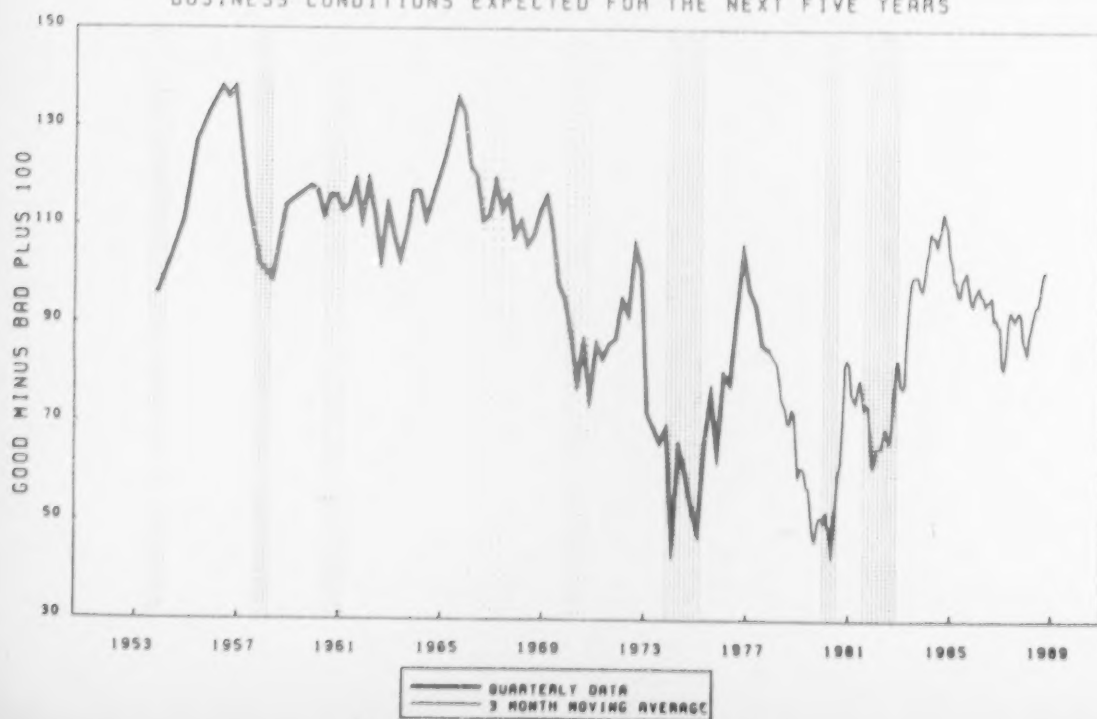


TABLE 16

BUSINESS CONDITIONS EXPECTED DURING THE NEXT FIVE YEARS

	Oct. 1987	Nov. 1987	Dec. 1987	Jan. 1988	Feb. 1988	Mar. 1988	Apr. 1988	May 1988	June 1988	July 1988	Aug. 1988	Sept 1988	Oct. 1988
GOOD TIMES	36%	31%	33%	34%	35%	39%	36%	41%	36%	39%	43%	41%	40%
UNCERTAIN; GOOD & BAD	12	13	16	12	15	14	15	13	16	11	16	17	12
BAD TIMES	46	51	44	50	45	43	47	43	41	43	38	39	43
NOT ASCERTAINED	6	5	7	4	5	4	2	3	7	7	3	3	5
TOTAL	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%
CASES	500	501	500	502	500	500	504	500	500	501	500	500	501

The question was: "Looking ahead, which would you say is more likely--that in the country as a whole we'll have continuous good times during the next 5 years or so, or that we will have periods of widespread unemployment or depression, or what?"

CHART 17 - RECENT CHANGES
EXPECTED CHANGE IN UNEMPLOYMENT



CHART 17 - HISTORICAL SERIES
EXPECTED CHANGE IN UNEMPLOYMENT

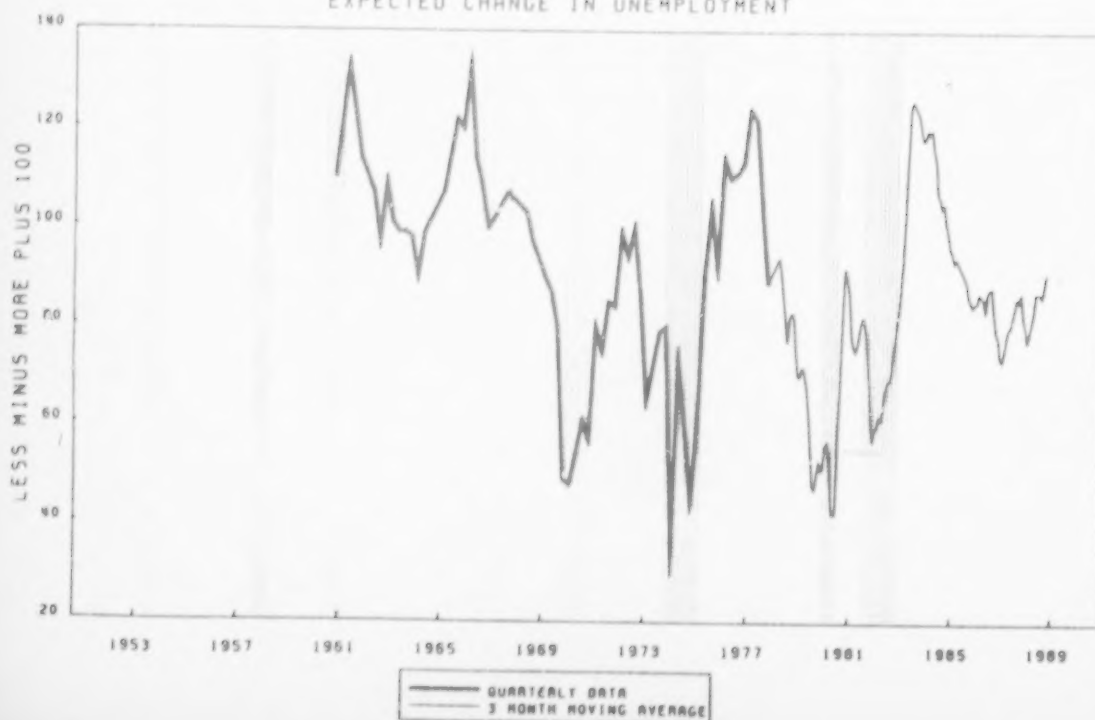


TABLE 17

EXPECTED CHANGE IN UNEMPLOYMENT

	Oct. 1987	Nov. 1987	Dec. 1987	Jan. 1988	Feb. 1988	Mar. 1988	Apr. 1988	May 1988	June 1988	July 1988	Aug. 1988	Sept 1988	Oct. 1988
LESS	17%	10%	12%	12%	12%	12%	14%	11%	15%	15%	15%	17%	16%
SAME	52	53	51	54	53	58	56	67	53	54	53	52	60
MORE	29	36	34	33	33	28	28	21	31	29	27	27	22
DK,NA	2	1	3	1	2	2	2	1	1	2	5	4	2
TOTAL	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%
CASES	500	501	500	502	500	500	504	500	500	501	500	500	501

The question was: "How about people out of work during the coming 12 months--do you think that there will be more unemployment than now, about the same, or less?"

CHART 18 - RECENT CHANGES
EXPECTED CHANGE IN INTEREST RATES

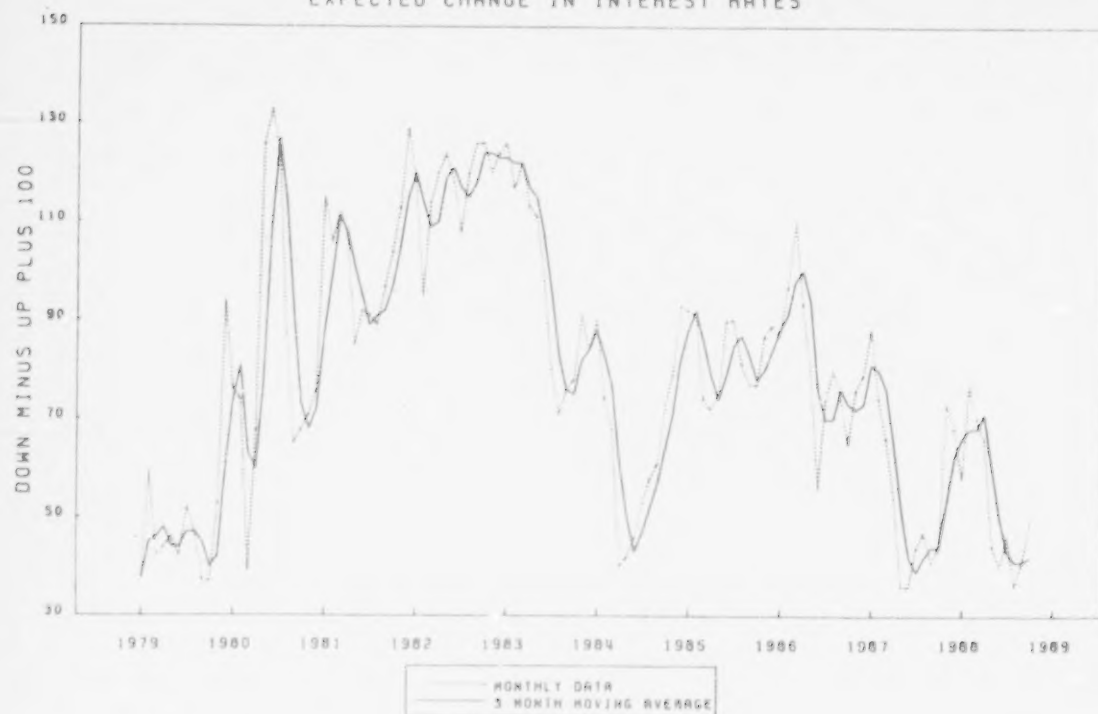


CHART 18 - HISTORICAL SERIES
EXPECTED CHANGE IN INTEREST RATES



TABLE 18

EXPECTED CHANGE IN INTEREST RATES

	Oct. 1987	Nov. 1987	Dec. 1987	Jan. 1988	Feb. 1988	Mar. 1988	Apr. 1988	May 1988	June 1988	July 1988	Aug. 1988	Sept 1988	Oct. 1988
GO UP	67%	49%	52%	54%	44%	49%	48%	64%	67%	65%	71%	67%	62%
STAY THE SAME	20	26	26	32	32	29	35	26	24	22	19	21	24
GO DOWN	11	22	20	12	21	19	14	8	7	11	7	8	11
DK,NA	2	3	2	2	3	3	3	2	2	2	3	4	3
TOTAL	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%
CASES	500	501	500	502	500	500	504	500	500	501	500	500	501

The question was: "No one can say for sure, but what do you think will happen to interest rates for borrowing money during the next 12 months--will they go up, stay the same, or go down?"

CHART 19 - RECENT CHANGES
MEAN EXPECTED PRICE INCREASE OVER THE NEXT 12 MONTHS



CHART 19 - HISTORICAL SERIES
MEAN EXPECTED PRICE INCREASE OVER THE NEXT 12 MONTHS

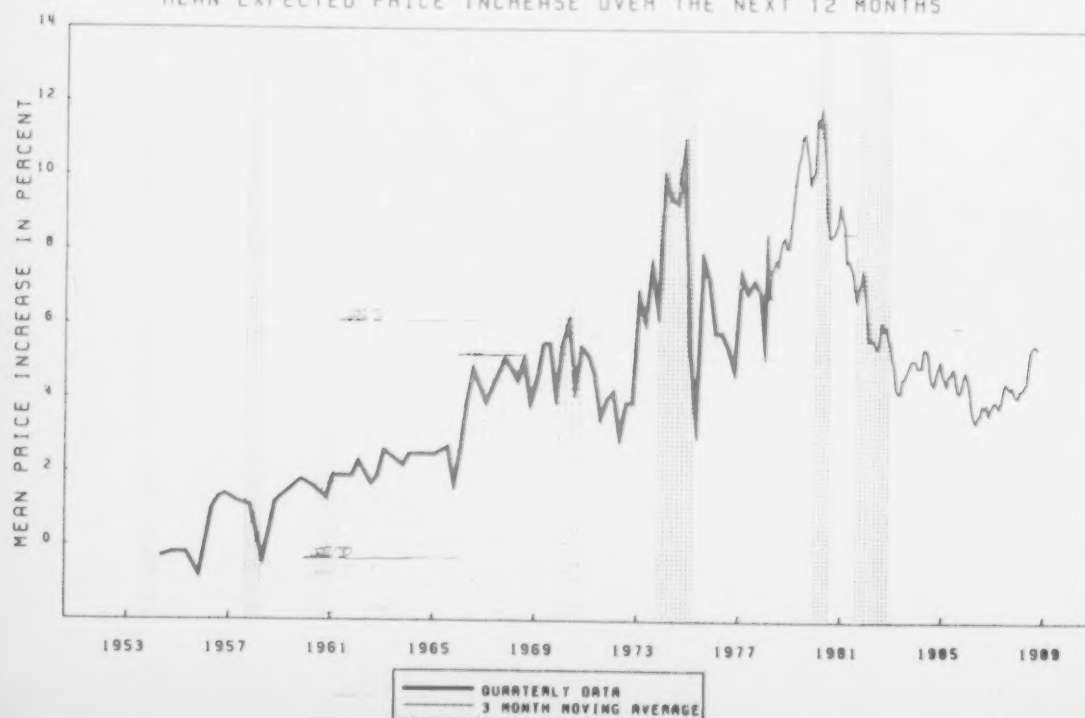


TABLE 19

EXPECTED CHANGE IN PRICES DURING THE NEXT 12 MONTHS

	Oct. 1987	Nov. 1987	Dec. 1987	Jan. 1988	Feb. 1988	Mar. 1988	Apr. 1988	May 1988	June 1988	July 1988	Aug. 1988	Sept 1988	Oct. 1988
SAME OR DOWN	15%	20%	21%	23%	17%	18%	14%	13%	13%	8%	8%	8%	9%
WILL GO UP BY:													
1-2%	18	16	19	16	21	19	19	19	18	15	15	16	20
3-4%	23	22	21	21	23	24	25	26	20	23	23	25	21
5%	20	20	15	17	16	19	18	18	20	19	22	21	20
6-9%	7	8	8	6	6	6	7	7	8	12	9	10	8
10-14%	8	5	8	7	7	6	7	6	9	12	8	7	9
15% or more	3	4	3	6	5	3	4	6	6	6	6	6	5
DK how much up	5	4	4	3	4	5	5	4	5	5	8	6	6
DK, NA	1	1	1	1	1	*	1	1	1	*	1	1	2
TOTAL	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%
MEAN INCREASE	4.4	3.9	4.0	4.4	4.5	4.1	4.5	4.9	5.6	5.6	5.4	5.5	5.2
VARIANCE	28	25	26	35	40	26	31	41	60	37	38	52	40
CASES	500	501	500	502	500	500	504	500	500	501	500	500	501

The questions were: "During the next 12 months, do you think that prices in general will go up, or go down, or stay where they are now?" and "By about what percent do you expect prices to go up, on the average, during the next 12 months?"

* : Less than half of one percent.

CHART 20 - RECENT CHANGES
OPINIONS ABOUT THE GOVERNMENT'S ECONOMIC POLICY

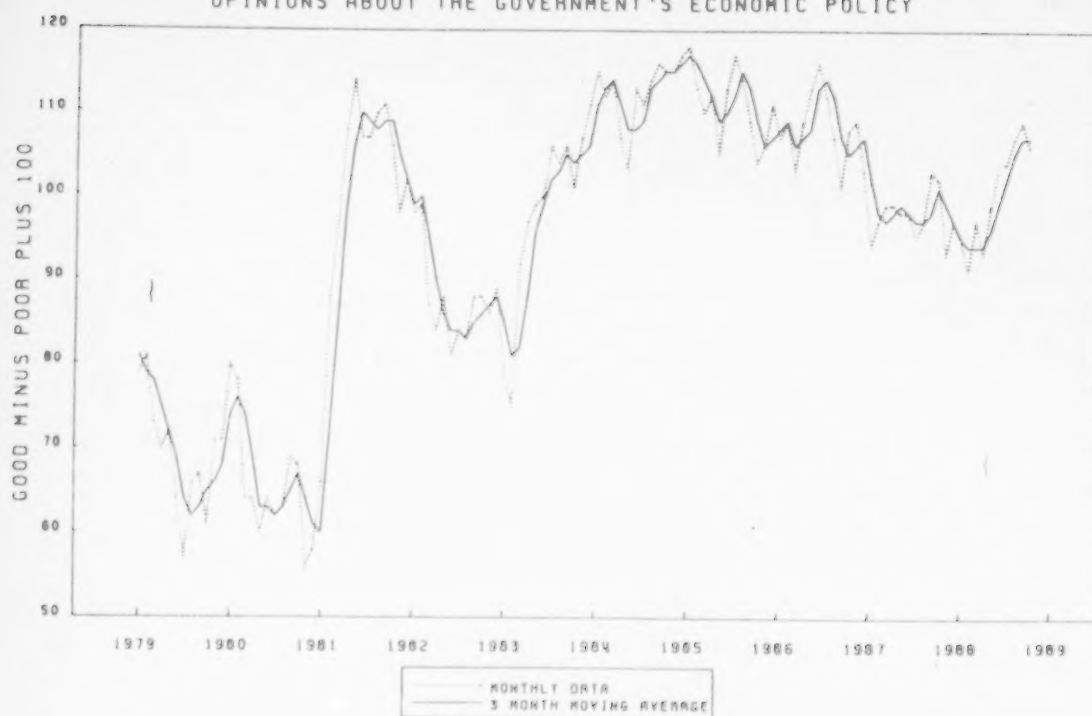


CHART 20 - HISTORICAL SERIES
OPINIONS ABOUT THE GOVERNMENT'S ECONOMIC POLICY

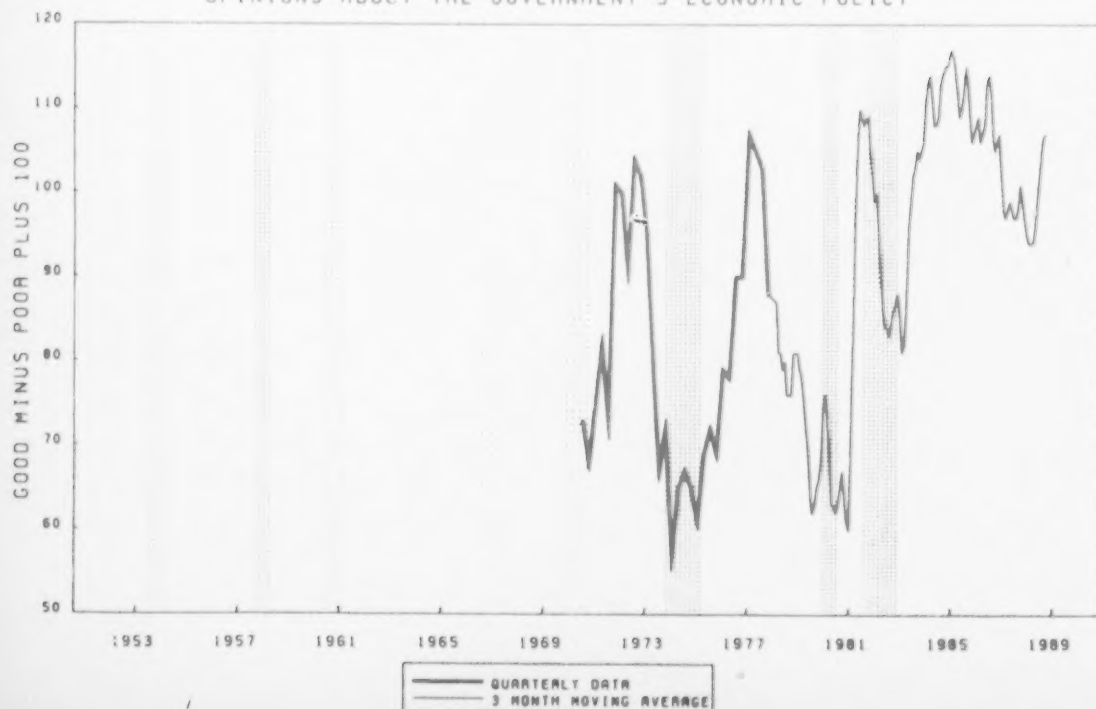


TABLE 20

OPINIONS ABOUT THE GOVERNMENT'S ECONOMIC POLICY

	Oct. 1987	Nov. 1987	Dec. 1987	Jan. 1988	Feb. 1988	Mar. 1988	Apr. 1988	May 1988	June 1988	July 1988	Aug. 1988	Sept 1988	Oct. 1988
A GOOD JOB	25%	18%	19%	17%	18%	23%	18%	21%	23%	25%	28%	29%	26%
ONLY FAIR	48	54	56	60	53	49	56	56	57	51	48	49	51
A POOR JOB	23	25	22	22	27	26	25	22	19	21	21	20	20
DK,NA	4	3	3	1	2	2	1	1	1	3	3	2	3
TOTAL	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%
CASES	500	501	500	502	500	500	504	500	500	501	500	500	501

The question was: "As to the economic policy of the government--I mean steps taken to fight inflation or unemployment--would you say the government is doing a good job, only fair, or a poor job?"

CHART 21 - RECENT CHANGES
BUYING CONDITIONS FOR LARGE HOUSEHOLD GOODS



CHART 21 - HISTORICAL SERIES
BUYING CONDITIONS FOR LARGE HOUSEHOLD GOODS

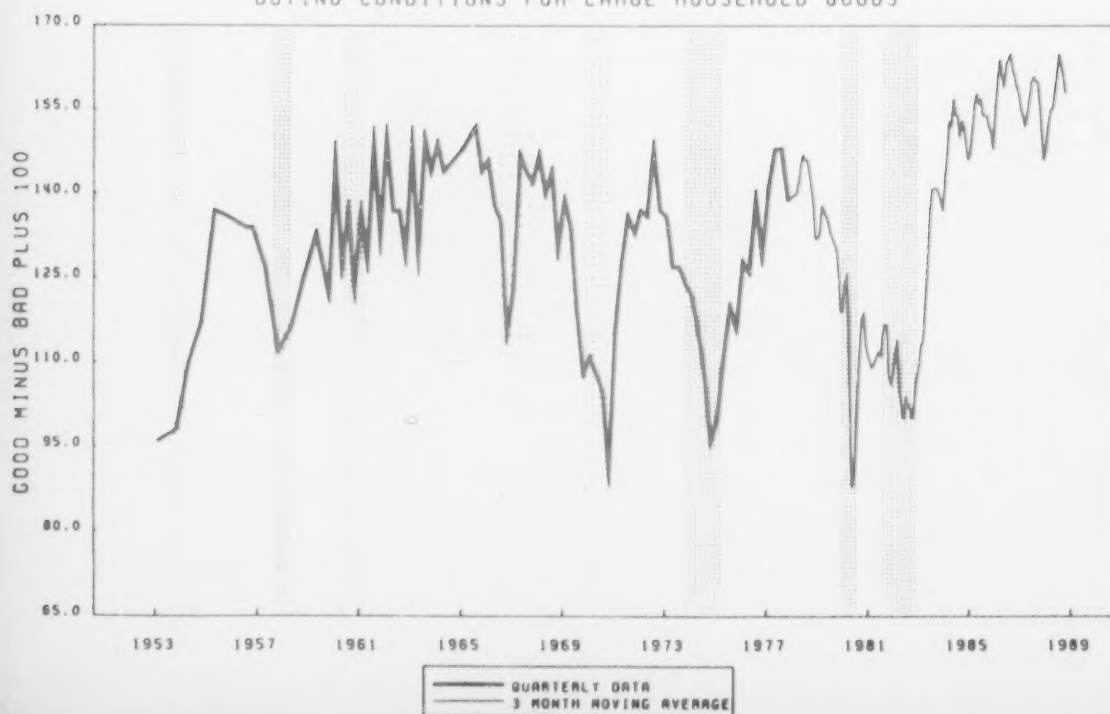


TABLE 21
BUYING CONDITIONS FOR LARGE HOUSEHOLD GOODS

	Oct. 1987	Nov. 1987	Dec. 1987	Jan. 1988	Feb. 1988	Mar. 1988	Apr. 1988	May 1988	June 1988	July 1988	Aug. 1988	Sept 1988	Oct. 1988
GOOD TIME TO BUY	69%	66%	69%	72%	72%	71%	73%	79%	74%	79%	74%	71%	73%
UNCERTAIN, DEPENDS	11	10	9	10	11	14	8	7	15	9	12	15	12
BAD TIME TO BUY	20	24	22	18	17	15	19	14	11	12	14	14	15
TOTAL	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%
CASES	500	501	500	502	500	500	504	500	500	501	500	500	501

The question was: "About the big things people buy for their homes--such as furniture, a refrigerator, stove, television, and things like that. Generally speaking, do you think now is a good or a bad time for people to buy major household items?"

CHART 22A - HISTORICAL SERIES
REASONS FOR OPINIONS ABOUT BUYING CONDITIONS FOR DURABLES

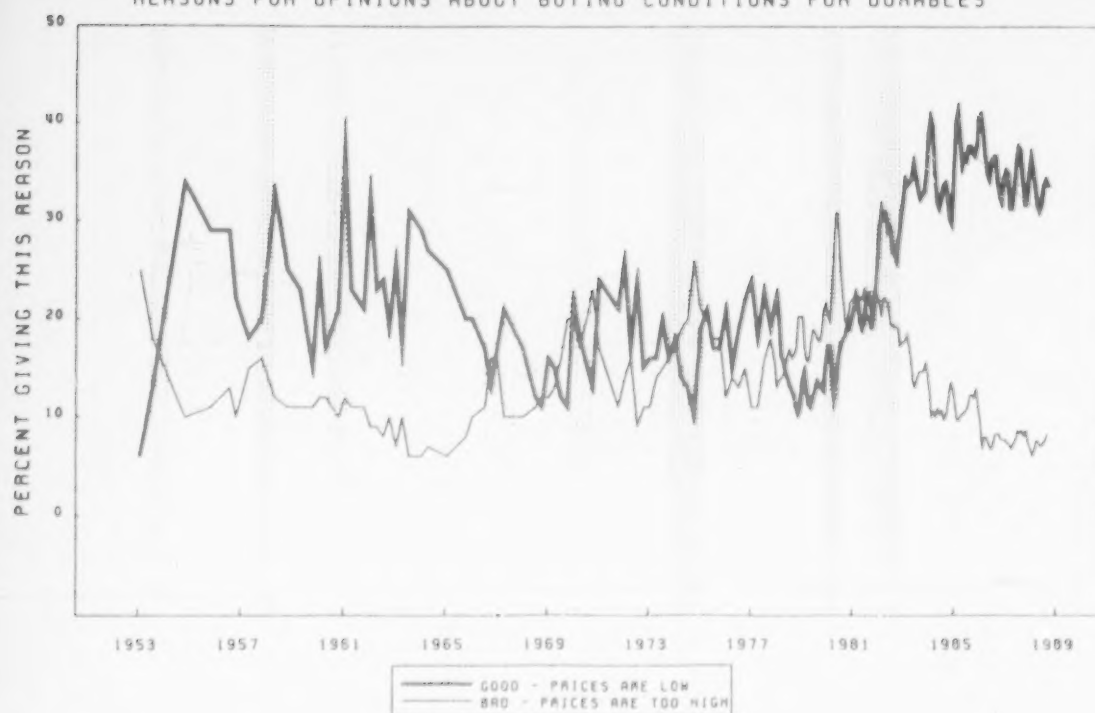


CHART 22B - HISTORICAL SERIES
REASONS FOR OPINIONS ABOUT BUYING CONDITIONS FOR DURABLES

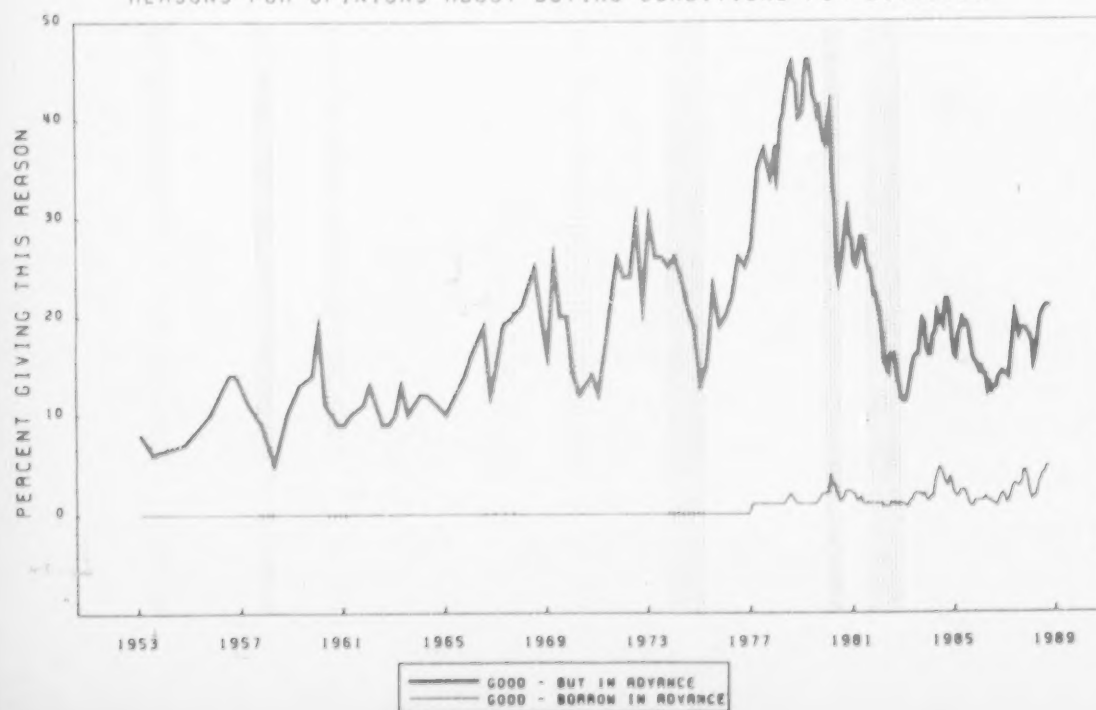


TABLE 22

SELECTED REASONS FOR OPINIONS ABOUT BUYING CONDITIONS FOR LARGE HOUSEHOLD GOODS +

	Oct. 1987	Nov. 1987	Dec. 1987	Jan. 1988	Feb. 1988	Mar. 1988	Apr. 1988	May 1988	June 1988	July 1988	Aug. 1988	Sept 1988	Oct. 1988
GOOD TIME TO BUY:													
Prices are low; good buys available	28%	30%	37%	37%	36%	33%	32%	30%	31%	34%	36%	33%	32%
Prices won't come down; are going higher	17	16	22	16	14	15	19	20	20	21	21	21	21
Interest rates low	9	11	8	6	8	10	9	6	8	7	7	7	7
Borrow-in-advance rates	6	3	1	2	1	2	2	5	3	4	5	5	4
Times are good; prosperity	7	4	4	6	7	8	10	7	7	10	7	5	8
BAD TIME TO BUY:													
Prices are high	9	7	10	5	5	8	7	8	7	6	9	8	8
Interest rates are high; credit is tight	4	8	6	4	5	4	4	4	2	2	3	3	4
Times are bad; can't afford to buy	6	4	4	8	6	5	6	3	2	3	3	2	4
Bad times ahead; uncertain future	4	10	5	4	4	2	4	2	1	3	3	3	2

Responses to the query: "Why do you say so?" following the question on Table 21.

+ : May add to more than 100% due to multiple mentions.

CHART 22C - HISTORICAL SERIES
REASONS FOR OPINIONS ABOUT BUYING CONDITIONS FOR DURABLES

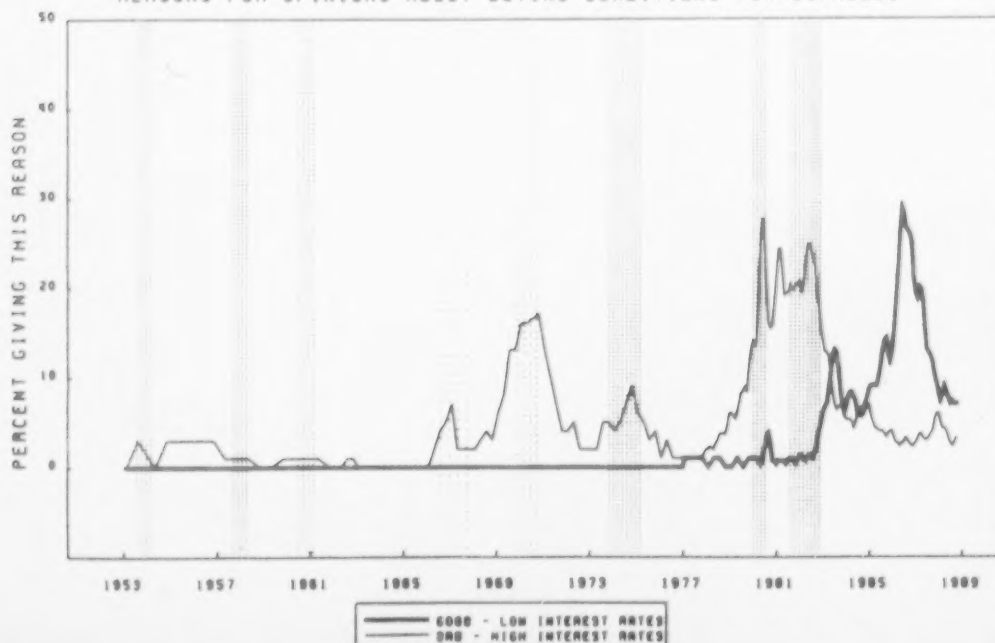


CHART 23 - RECENT CHANGES
BUYING CONDITIONS FOR HOUSES



CHART 23 - HISTORICAL SERIES
BUYING CONDITIONS FOR HOUSES



TABLE 23
BUYING CONDITIONS FOR HOUSES

	Oct. 1987	Nov. 1987	Dec. 1987	Jan. 1988	Feb. 1988	Mar. 1988	Apr. 1988	May 1988	June 1988	July 1988	Aug. 1988	Sept 1988	Oct. 1988
GOOD TIME TO BUY	70%	58%	68%	67%	67%	71%	72%	72%	73%	72%	67%	70%	64%
UNCERTAIN, DEPENDS	4	4	3	3	3	6	5	3	5	4	6	5	5
BAD TIME TO BUY	26	38	29	30	30	23	23	25	22	24	27	25	31
TOTAL	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%
CASES	500	501	500	502	500	500	504	500	500	501	500	500	501

The question was: "Generally speaking, do you think now is a good time or a bad time to buy a house?"

CHART 24A - HISTORICAL SERIES
REASONS FOR OPINIONS ABOUT BUYING CONDITIONS FOR HOUSES



CHART 24B - HISTORICAL SERIES
REASONS FOR OPINIONS ABOUT BUYING CONDITIONS FOR HOUSES



TABLE 24

SELECTED REASONS FOR OPINIONS ABOUT BUYING CONDITIONS FOR HOUSES +

	Oct. 1987	Nov. 1987	Dec. 1987	Jan. 1988	Feb. 1988	Mar. 1988	Apr. 1988	May 1988	June 1988	July 1988	Aug. 1988	Sept 1988	Oct. 1988
GOOD TIME TO BUY:													
Prices are low; good buys available	19%	16%	21%	24%	22%	27%	20%	16%	19%	24%	18%	21%	18%
Prices won't come down; are going higher	8	6	9	7	5	9	10	12	12	12	10	15	11
Interest rates low	33	32	40	35	44	47	40	37	34	30	28	22	25
Borrow-in-advance rates	22	11	12	13	6	7	10	14	15	11	19	21	15
Good investment Times are good; prosperity	6	7	9	7	4	6	7	10	6	7	9	9	9
	3	3	3	3	4	4	4	5	5	6	5	4	4

BAD TIME TO BUY:

Prices are high	11	11	10	11	13	11	10	10	11	13	13	11	18
Interest rates are high; credit is tight	18	19	13	13	15	9	10	12	10	11	14	14	16
Times are bad; can't afford to buy	7	5	7	10	7	8	8	6	4	4	4	4	5
Bad times ahead; uncertain future	4	13	7	5	4	3	4	3	3	2	3	2	3

Responses to the query: "Why do you say so?" following the question on Table 23.

+ : May add to more than 100% due to multiple mentions.

CHART 24C - HISTORICAL SERIES
REASONS FOR OPINIONS ABOUT BUYING CONDITIONS FOR HOUSES

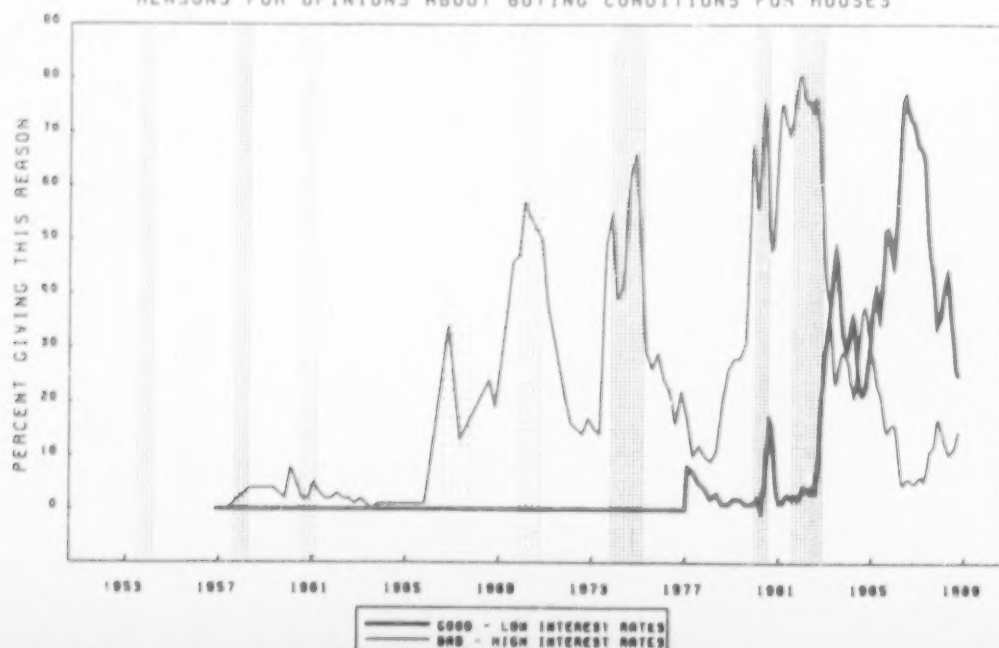


CHART 25 - RECENT CHANGES
BUYING CONDITIONS FOR CARS



CHART 25 - HISTORICAL SERIES
BUYING CONDITIONS FOR CARS



TABLE 25

BUYING CONDITIONS FOR CARS

	Oct. 1987	Nov. 1987	Dec. 1987	Jan. 1988	Feb. 1988	Mar. 1988	Apr. 1988	May 1988	June 1988	July 1988	Aug. 1988	Sept 1988	Oct. 1988
GOOD TIME TO BUY	58%	57%	64%	59%	59%	62%	63%	64%	62%	62%	62%	61%	60%
UNCERTAIN; DEPENDS	11	8	6	11	13	8	12	10	11	10	12	13	12
BAD TIME TO BUY	31	35	30	30	28	30	25	26	27	28	26	26	28
TOTAL	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%
CASES	500	501	500	502	500	500	504	500	500	501	500	500	501

The question was: "Speaking now of the automobile market--do you think the next 12 months or so will be a good time or a bad time to buy a car?"

CHART 26A - HISTORICAL SERIES
REASONS FOR OPINIONS ABOUT BUYING CONDITIONS FOR CARS

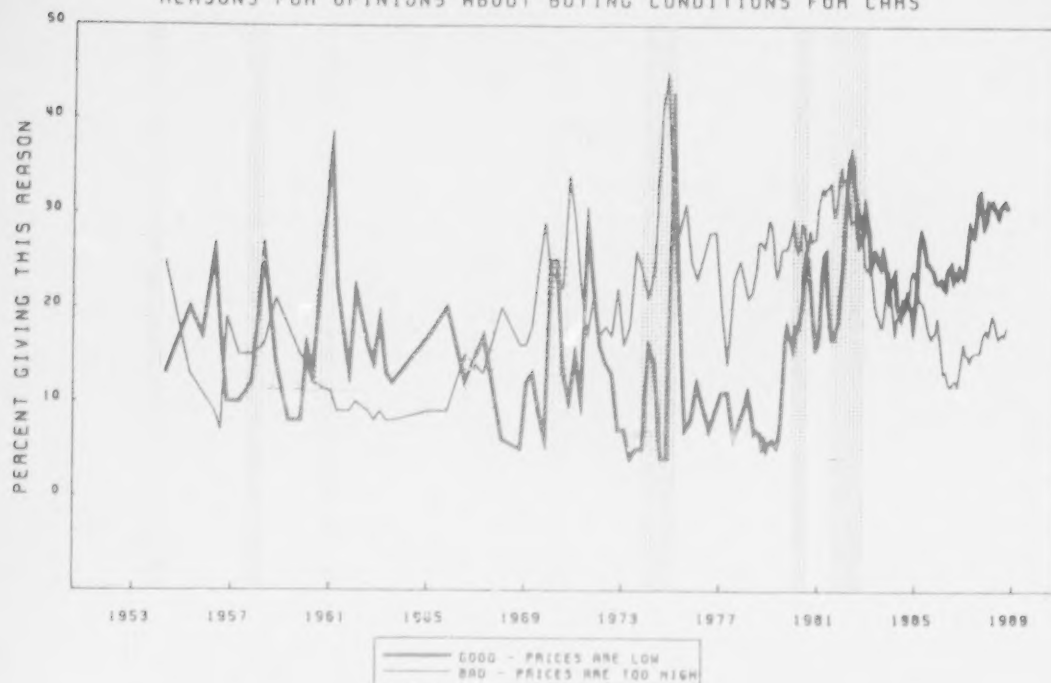


CHART 26B - HISTORICAL SERIES
REASONS FOR OPINIONS ABOUT BUYING CONDITIONS FOR CARS



TABLE 26

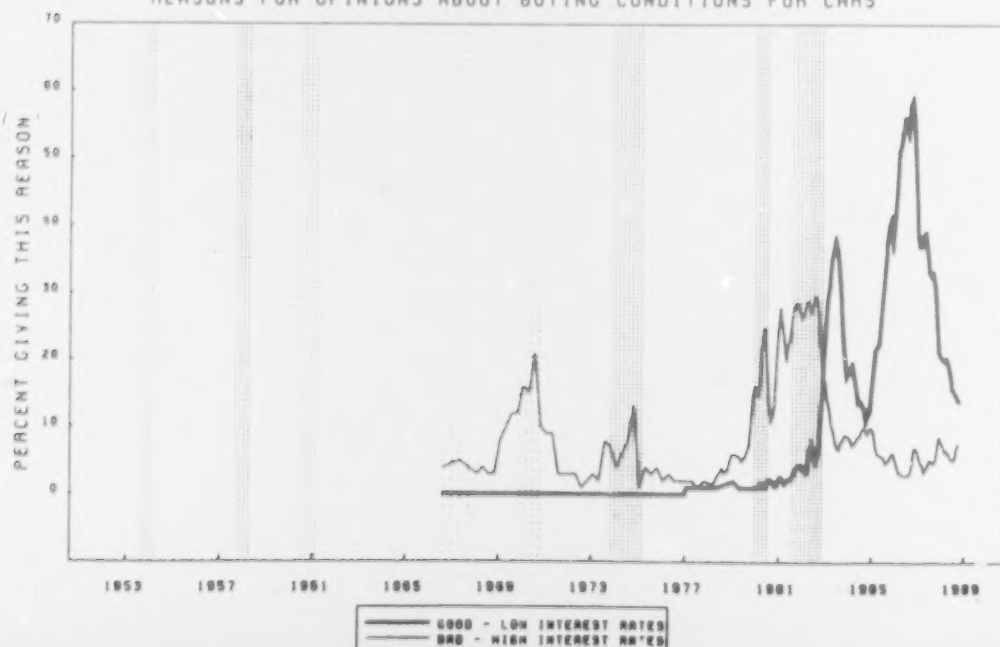
SELECTED REASONS FOR OPINIONS ABOUT BUYING CONDITIONS FOR CARS +

	Oct. 1987	Nov. 1987	Dec. 1987	Jan. 1988	Feb. 1988	Mar. 1988	Apr. 1988	May 1988	June 1988	July 1988	Aug. 1988	Sept 1988	Oct. 1988
GOOD TIME TO BUY:													
Prices are low; good buys available	26%	31%	31%	32%	30%	32%	30%	29%	30%	33%	30%	31%	31%
Prices won't come down; are going higher	14	10	14	11	10	11	12	14	14	13	15	14	13
Interest rates low	22	21	21	20	20	20	21	17	16	14	16	14	12
Borrow-in-advance rates	5	3	2	4	2	4	3	5	4	3	6	6	7
Times are good; prosperity	4	2	2	3	3	4	3	4	3	5	4	4	4
BAD TIME TO BUY:													
Prices are high	19	17	17	17	20	21	15	17	18	16	18	17	19
Interest rates are high; credit is tight	7	10	9	5	8	6	6	6	4	6	6	9	8
Times are bad; can't afford to buy	3	4	4	5	4	3	5	3	1	3	4	2	3
Bad times ahead; uncertain future	3	9	4	3	2	2	2	2	2	2	2	2	1
Poor selection; quality	2	2	4	4	3	3	2	2	3	3	2	3	5

Responses to the query: "Why do you say so?" following the question on Table 25.

+ : May add to more than 100% due to multiple mentions.

CHART 26C - HISTORICAL SERIES
REASONS FOR OPINIONS ABOUT BUYING CONDITIONS FOR CARS



EXPLANATORY CHARTS

CHART 1 - RECENT CHANGES

THE INDEX OF CONSUMER SENTIMENT



CHART 1 - HISTORICAL SERIES

THE INDEX OF CONSUMER SENTIMENT



DESCRIPTION OF CHART LINES

- QUARTERLY DATA: Data collected by surveys conducted at three-month intervals before 1978.
- MONTHLY DATA: Data collected by surveys conducted each month since January of 1978.
- THREE-MONTH MOVING AVERAGE: Each point plotted represents the average of the three monthly observations ending at the date plotted.

TIME SCALE LABELS

Each tic mark on the time scale represents the month of January for the indicated year.

NATIONAL BUREAU OF ECONOMIC RESEARCH, REFERENCE DATES FOR RECESSIONS

DATES:	November 1948	-	October 1949
	July ' 1953	-	May 1954
	August 1957	-	April 1958
	April 1960	-	February 1961
	June 1966	-	November 1967*
	December 1969	-	November 1970
	November 1973	-	March 1975
	January 1980	-	July 1980
	July 1981	-	November 1982

Notes:

RECESSION PERIOD: Reduction in the national output of goods and services, generally lasting at least two quarters.

*GROWTH RECESSION: Retardation in the rate of growth of output and employment (usually followed by a recession and always the initial stage of a recession).

APPROXIMATE SAMPLING ERRORS^a OF SURVEY FINDINGS
(In percentages by size of sample or subgroup)

Reported Percentages	Number of Interviews					
	500	700	1000	1400	2000	3000
50	4.9	4.2	3.6	3.2	2.8	2.5
30 or 70	4.5	3.8	3.3	2.9	2.5	2.3
20 or 80	3.9	3.4	2.9	2.6	2.2	2.0
10 or 90	2.9	2.5	2.2	1.9	1.7	1.5
5 or 95	2.1	1.8	1.6	1.4	1.2	1.1

^aThe figures in this table represent two standard errors. Hence, for most items the chances are 95 in 100 that the value being estimated lies within a range equal to the reported percentages, plus or minus the sampling error.



November 1988 Monthly Survey

December 2, 1988

Surveys of Consumers

Richard T. Curtin, *Director*

Confidence Dims But Remains At Favorable Level

Index Slips

The Index of Consumer Sentiment was 93.0 in the November 1988 survey, down slightly from 94.1 in October. Although this was the second small monthly decline from the 97.3 recorded in September, it remained substantially above the post crash low of 83.1 recorded in November 1987. Overall, the November reading was only marginally below the average recorded during 1988 (93.9) and the average reading during the past five years (94.0).

The recent declines were due to less favorable assessments by consumers of their current financial situation, although they still remained upbeat about financial prospect for the year ahead.

Among families with incomes of \$40,000 or more, the Index slipped to 101.0 in November 1988 from 103.7 in October, and 105.4 in September. Like the all families figure, the November Index among high income families was substantially above the year earlier figure of 90.5.

Personal Finances Weaken

Consumer's assessments of their current financial situation have weakened from the record levels recorded earlier in 1988. Among all families in the November 1988 survey, 41 percent reported that their financial situation improved during the past year, confirming the decline recorded in October.

Although the current reading is substantially below the 50 percent recorded in August 1988, it is comparable to the year earlier reading. Moreover, the 50 percent figure represented the highest proportion recorded in more than twenty years. That current evaluations have declined from that peak is not very surprising given past trends in personal incomes.

Compared with three months earlier, fewer families reported gains in incomes (35, down from 45 percent), while the proportion reporting income declines remained unchanged (at 16 percent).

Despite the muted evaluations of their current financial situation, consumers continued to hold positive prospects for the year ahead. Among all families in the November 1988 survey, 37 percent expected their financial situation to improve during the year ahead, just ahead of the 36 percent recorded one month earlier and the 33 percent recorded one year earlier. Just 9 percent of all families in the November survey expected their financial situation to worsen, down from 12 percent one month earlier and 15 percent one year earlier.

Inflation Remains Troublesome

In the November 1988 survey, consumers expected the annual inflation rate to average 5.4% during the year ahead. This represents a largely unchanged outlook since inflation expectations rose sharply in the Spring, reaching 5.6% in June. Although this

does indicate that these fears have not escalated during the past six months, they have not eased significantly either. Importantly, they remain substantially above the 3.9% recorded last November, and at the highest sustained level recorded since the current expansion began.

Outlook for National Economy Holds Steady

In contrast to the weakened evaluations of their current financial situation, more consumers thought that current business conditions in the country as a whole had improved over those of a year earlier. Among all families, 54 percent thought that the economy had improved, up from 46 percent one month earlier, and the highest proportion recorded in more than a year.

When asked about prospects for the economy during the year ahead, three times as many families in the November survey expected the performance of the economy to remain unchanged (60 percent) than to either improve (19 percent) or worsen (18 percent).

The widespread expectation of an unchanged outlook for the economy has meant the continuation of good times financially for the majority of consumers. Among all families in the November 1988 survey, 53 percent expected good times financially in the country as a whole, a reading that has remained largely unchanged during the past three months.

Unemployment Expectations Remain Favorable

For the consumer, favorable employment prospects represent the primary source of the current strength in the national economy. In the November 1988 survey, the majority of families (57 percent) expected the national unemployment rate to remain largely unchanged at its current low level during the year ahead. To be sure, as the expansion has lengthened and the unemployment rate has fallen,

fewer and fewer consumers expected further declines, and more consumers expected renewed increases. Although more consumer expected increases rather than declines in the national unemployment rate in the November 1988 survey, the margin of difference has narrowed over the past two years.

Expected Interest Rate Increases Primary Concern

Interest rates were expected to increase by 62 percent of all families in the November 1988 survey. Although this reading is unchanged from October, it represents a small improvement from the recent peak of 71 percent recorded in August. Overall, these very unfavorable interest rate expectations are the single most troublesome aspect of future economic prospects. These concerns over rising interest rates have dulled buying attitudes.

Buying Attitudes Remain Favorable

Attitudes toward buying conditions for appliances, furniture, home electronics, vehicles, and homes have all remained at very favorable levels in the November 1988 survey. To be sure, in each case these buying attitudes have receded from the cyclical peaks recorded earlier in the expansion, but they nonetheless remain at quite favorable levels.

Favorable attitudes toward buying conditions for appliances, furniture and home electronic goods were held by 73 percent of all families in the November 1988. This reading was unchanged from the October survey. Although this was the highest November reading since the current economic expansion started, it is somewhat below the mid 1988 peak of 79 percent.

These very favorable attitudes toward buying conditions for household durables continued to be based on the availability of reduced and

discounted prices. In the November 1988 survey, one-third of all consumers held favorable perceptions of current market prices, three times the number that complained about high prices for these goods.

Favorable attitudes toward buying conditions for vehicles were held by 61 percent of all families in the November 1988 survey. This figure has remained largely unchanged during the past six months, staying in the narrow range of from 60 to 62 percent. When asked to explain their views, favorable perceptions of vehicle prices continue to dominate their answers, although by a smaller margin than in past surveys. Among all families, 27 percent mentioned the availability of discounted prices, down from 31 percent in October; offsetting this rise, however, fewer consumers complained about high prices in the November survey—17, down from 19 percent in October.

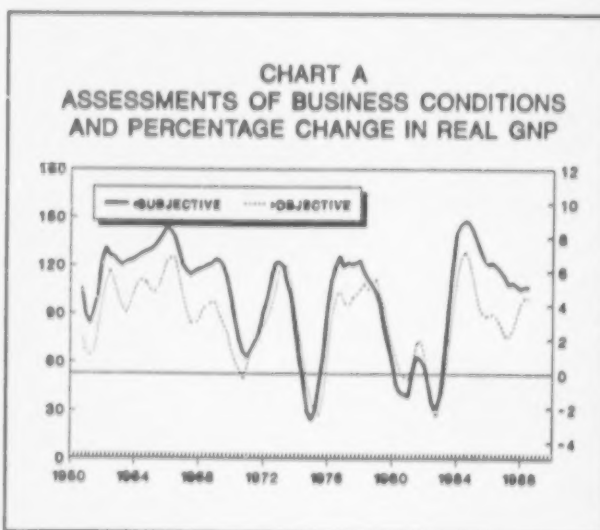
Although vehicle buying attitudes remain quite favorable, they are well below the cyclical peak reached two year ago. The primary reason for the softening of these attitudes has been less favorable views of current interest rates on vehicle purchases.

In the November 1988 survey, attitudes toward buying conditions for homes regained some of the loss recorded in October. Among all families, 67 percent reported favorable views toward home buying conditions, up from 64 percent in October, but still below the 70 percent recorded in September. The recent changes in these attitudes has been due to changing perceptions of future trends in mortgage rates. During the past few months the appeal of borrowing-in-advance of rising interest rates has fallen, from 22 percent in September to 13 percent in November, while reports of the availability of currently low mortgage rates rose, from 22 percent in September to 33 percent in November. Even with this improvement, favorable perceptions of mortgage interest rates remained well below the levels recorded during the past few years.

The Sophisticated Consumer

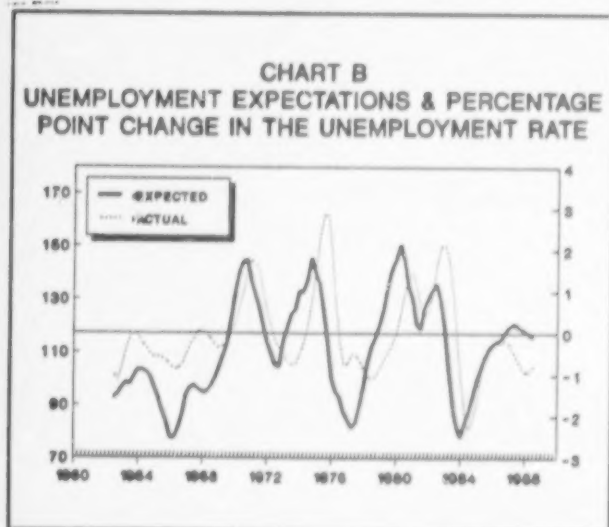
How accurate are consumer expectations? It has been suggested that the very favorable levels of consumer sentiment recorded during the past few years have exceeded the strength of the underlying economic factors. To address this issue, this report includes data that compares the consumer's subjective and qualitative assessments of economic conditions with the objective and quantitative measures derived from the National Income and Product Accounts. As we shall see, there indeed has been some unwarranted persistence of favorable assessments, but for the most part consumer attitudes and expectations have closely mirrored objective measures. Of course, for many pundits it will come as a surprise that consumer attitudes and expectations could demonstrate any coherent relationship with the prevailing macro economic conditions.

National Economy. Consumers are asked in each survey to assess the progress made by the national economy during the past year. When these subjective assessments of the national economy are compared with actual changes in the Gross National Product, a remarkably close correspondence emerges. Chart A shows the four



quarter moving average of the annual percentage changes in real GNP and the four quarter moving average of the consumers assessments of change in the economy. The time series correlation of the two series from 1960 to present was 0.90. These data indicate that these subjective assessments are in line with the historical pattern, although they do show a small divergence during the current expansion. For the period from 1972 through 1984, the time series correlation was 0.92, which falls only modestly to 0.89 when the time period is extended through the third quarter of 1988.

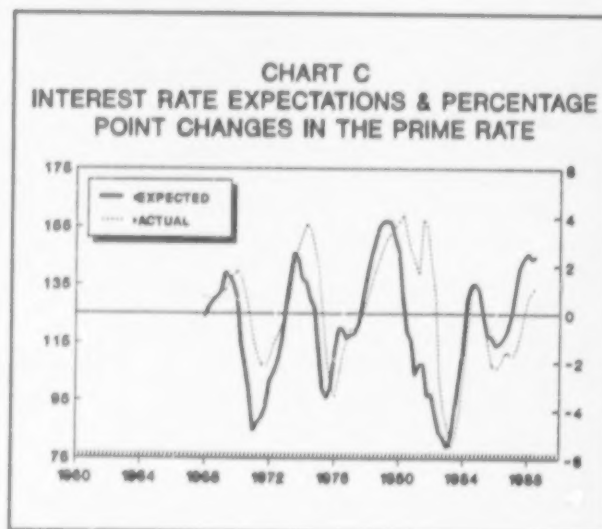
Unemployment Rate. The expected change in the national unemployment rate is compared with actual changes in Chart B. Since consumers are asked about the direction of expected change in the unemployment rate, not its level, the annual percentage point change in the national unemployment rate was used as the objective measure. Both consumers' expectations and the percentage point change in the unemployment rate are shown as four quarter moving averages.



As can be seen from the chart, the unemployment expectations series foreshadows actual changes in the unemployment rate to a high degree. Consumer expectations changed three quarters in advance of the actual change in the unemployment

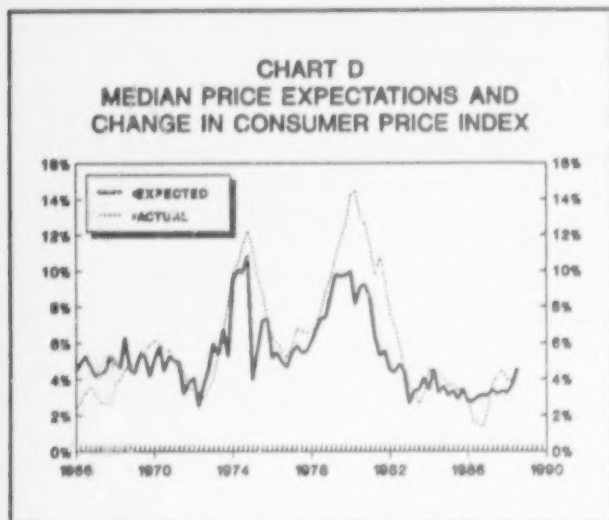
rate, demonstrating a time series correlation of 0.78 with this lead. Moreover, there has been little change in this relationship during the current expansion.

Interest Rates. To assess the accuracy of the interest rate expectations series, the annual percentage point change in the prime rate was used so as to be consistent with the survey question, which focuses only on the direction of the expected change. Again, both series are shown as four quarter moving averages. The pattern of changes in the subjective expectations and the subsequent changes in the prime rate are shown in Chart C. As shown there, consumer expectations changed, on average, two quarters in advance of the change in the prime rate, achieving a time series correlation of 0.78 with that two quarter lead.

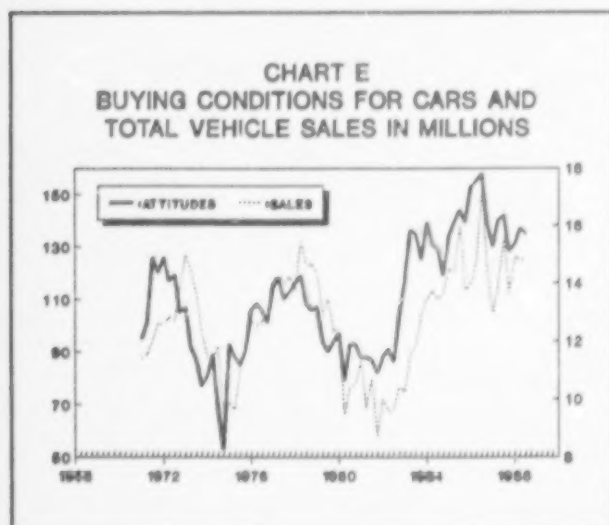


Inflation Rate. The change consumers expect in the annual inflation rate and the actual annual rate of change in the CPI-u is shown in Chart D. For the expectations series, the median expected price increase was used—which yields lower estimates of expected inflation than the mean of the same series. As can be seen from this chart, the peak inflation rates in past years have been underestimated, but during the current expansion

the relationship has been quite close. Changes in price expectations, on average, preceded changes in the CPI by one quarter. From 1966 to present, a time series correlation of 0.90 was achieved when the expectations series was led one quarter.

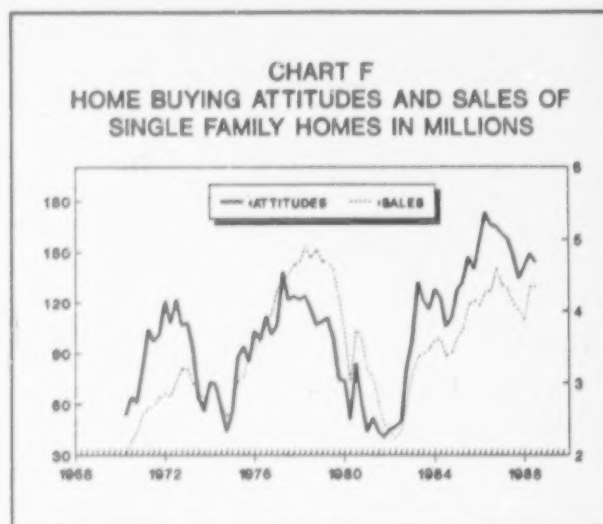


Vehicle Sales. Chart E shows the correspondence of vehicle buying attitudes with sales of new cars and light trucks in million of units at annual rates.



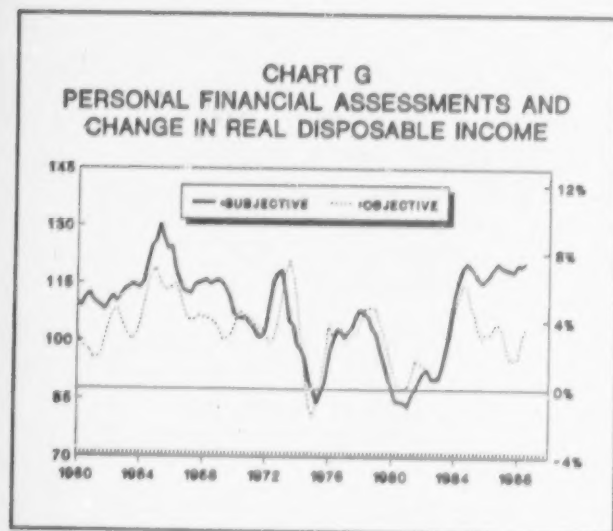
On average, changes in buying attitudes preceded changes in sales by two quarters. A time series correlation of 0.75 was achieved when the attitude series was led two quarters, although it was nearly as high with a lead of up to four quarters.

Home Sales. Trends in home buying attitudes and sales of new and existing singly family homes in millions of units at annual rates are shown in Chart F. Changes in home buying attitudes preceded changes in sales on average by two quarters. A time series correlation of 0.75 was found when the attitude series was led by two quarters.



Personal Finances. How do consumers' subjective assessments of their current personal financial situation compare with the actual changes in their incomes? Chart G shows the trends in real personal disposable income and consumer assessments. For the series on real personal disposable income, the four quarter moving average of the annual percentage change was used; the attitude series is also shown as a four quarter moving average. The correspondence between the subjective and objective measures has been quite close in the past, but during the current expansion they have shown an uncharacteristic divergence. The simple time series correlation between the two series from 1960 to present was

0.70. For the more recent period from 1972 through 1984, the correlation was 0.88; when this time period is extended to include up to the third quarter of 1988 the correlation falls to 0.66. While measured real income change has slowed considerably as the expansion has lengthened, subjective assessments have remained at high levels. Not surprisingly, in the October and November 1988 surveys, much of the weakness recorded was concentrated in these personal financial evaluations.



While it can be expected, based on these past trends, that the recent divergence will eventually narrow, the closing of this gap may depend more on trends in inflation than nominal incomes. Although at present consumers continue to favorably view income and employment prospects for the year ahead, rising inflation rates could quickly erode these positive attitudes, especially since these favorable assessments have outdistanced actual developments in incomes. Indeed, one of the interesting results from the comparisons between consumers' subjective assessments and actual economic changes is that the largest gap in the otherwise close correspondence was for assessments of personal finances.

Most observers would suggest that since consumers possess more information about their own financial situation than any other aspect of the economy these assessments would provide a more accurate reflection of actual conditions. Given the results on the inflation expectations comparisons, the answer does not lie in consumers' underestimation of inflation; that consumers overestimated the growth in their nominal incomes, although unlikely, cannot be rejected however.

Perhaps a more plausible explanation is that it has been the relatively stability of inflation that has enhanced consumers' assessments of their economic situation. The uncertainty caused by the inflation of the 1970s led to a pervasive sense of economic insecurity and an inability to plan ahead. The lower and more stable inflation rates that have prevailed since then have given consumers a new sense of confidence in their ability to make financial plans and to provide for future financial needs. It is this renewed sense of financial stability that has made this gap between subjective assessments and actual developments persist. And it is a resurgence in inflation that could cause this gap to quickly close.

Even if nominal income growth rates accelerated along with rising inflation, thus offsetting its impact on real incomes, the rising inflation would result in a declining sense of financial well-being. For consumers, the same rate of growth in real income is always preferred when accompanied by lower rather than higher rates of change in nominal incomes and prices.

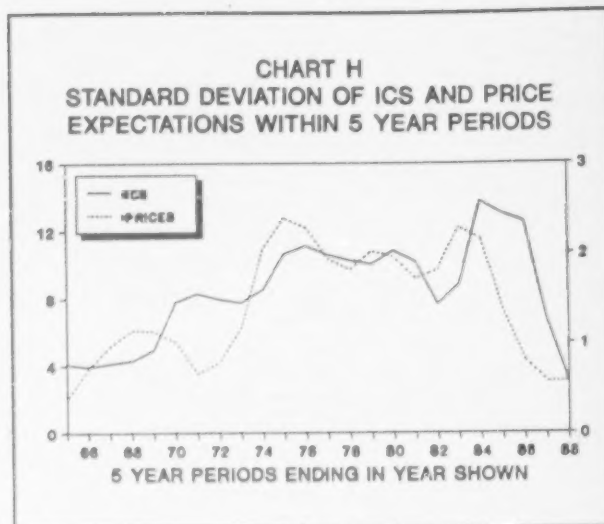
This preference does not mean that consumers suffer from money illusion, but that consumers place a premium on economic stability. Indeed, consumers may well prefer somewhat lower real income growth rates if accompanied by a low rate of inflation. While this preference has often characterized consumers in other countries, for the U.S. consumer it has been the experiences of the past decade that has made it a more compelling preference.

Following the troubled and turbulent 1970s, the

1980s will certainly be remembered for the renewed economic stability. During the past five years the quarterly movements in the Index of Consumer Sentiment as well as price expectations have exhibited the lowest standard deviations recorded in more than twenty years. Chart H displays the standard deviations of the Index and price expectations for five year periods ending in the year plotted. The chart also indicates that the decline in the variance of Index of Consumer Sentiment was preceded by the decline in the variance of price expectations.

* * *

The November 1988 survey included 508 completed interviews, conducted between November 1 and November 23, 1988.



SURVEYS OF CONSUMERS



Institute for Social Research

SURVEYS OF CONSUMERS

NOVEMBER 1988

The November 1988 survey was the 244th in a series of Surveys of Consumers conducted by the Survey Research Center at The University of Michigan. Initiated in 1946, these periodic surveys provide regular assessments of consumer attitudes and expectations, and are used to evaluate economic trends and prospects. The surveys are designed to explore why changes in consumer attitudes and expectations occur, and how these changes influence consumer spending and saving decisions.

All surveys are subject to sampling error because not all members of the population are interviewed. Most results for the total sample will differ by no more than 5 percentage points in either direction from what would have been obtained by using the same methods on the entire population. See the back of this book for sampling error information.

While every effort is made to accurately measure consumer attitudes and expectations, factors other than sampling may also affect the accuracy of these (and other) findings. These factors may include effects of the question wording, the ability of respondents to articulate answers and opinions, refusal to participate in the survey, and incomplete coverage of the population. There are no standard measures of these effects, but their presence should be acknowledged when using these and all other survey data. While measurement effects are present in all surveys, a noted advantage of time-series data is that the non-sampling influences remain relatively constant across samples.

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7	Trend in Personal Financial Situation
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CHART 1 - RECENT CHANGES
THE INDEX OF CONSUMER SENTIMENT



CHART 1 - HISTORICAL SERIES
THE INDEX OF CONSUMER SENTIMENT



TABLE 1
THE INDEX OF CONSUMER SENTIMENT

DATE OF SURVEY	All families	Families with incomes over \$30,000	Families with incomes over \$40,000
November 1985	90.9	100.8	100.3
December 1985	93.9	106.0	108.3
January 1986	95.6	109.7	110.1
February 1986	95.9	107.8	109.0
March 1986	95.1	102.9	110.2
April 1986	96.2	106.9	111.0
May 1986	94.8	105.5	109.9
June 1986	99.3	110.6	112.4
July 1986	97.7	109.6	108.5
August 1986	94.9	105.0	106.6
September 1986	91.9	99.5	102.1
October 1986	95.6	102.8	105.5
November 1986	91.4	97.5	98.7
December 1986	89.1	98.7	98.3
January 1987	90.4	101.2	104.0
February 1987	90.2	103.6	103.6
March 1987	90.8	97.8	96.1
April 1987	92.8	98.5	103.1
May 1987	91.1	97.7	99.2
June 1987	91.5	102.9	102.9
July 1987	93.7	102.5	104.0
August 1987	94.4	104.4	109.1
September 1987	93.6	100.6	104.3
October 1987	89.3	99.9	101.8
November 1987	83.1	87.7	90.5
December 1987	86.8	94.5	96.1
January 1988	90.8	99.0	99.9
February 1988	91.6	98.1	100.8
March 1988	94.6	103.7	104.6
April 1988	91.2	99.1	99.6
May 1988	94.8	106.6	108.3
June 1988	94.7	102.3	102.7
July 1988	93.4	100.5	103.9
August 1988	97.4	105.1	104.2
September 1988	97.3	102.8	105.4
October 1988	94.1	103.0	103.7
November 1988	93.0	102.0	101.0

CHART 2A - HISTORICAL SERIES
INDEX OF CONSUMER SENTIMENT WITHIN REGION SUBGROUPS

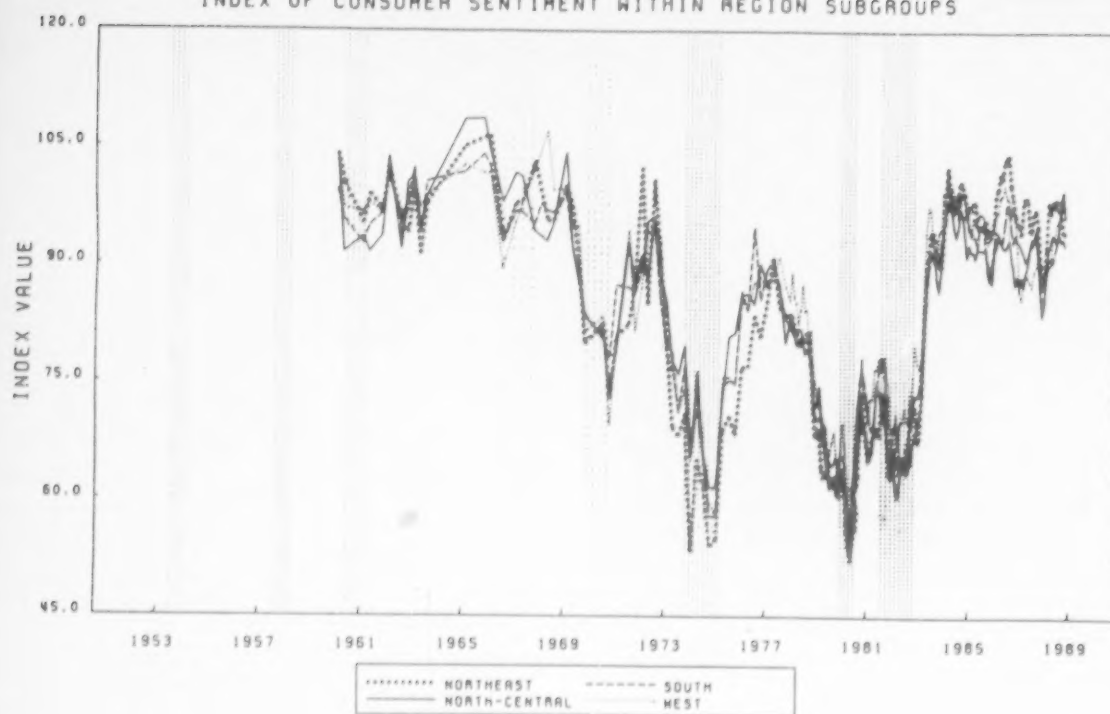


CHART 2B - HISTORICAL SERIES
INDEX OF CONSUMER SENTIMENT WITHIN AGE SUBGROUPS

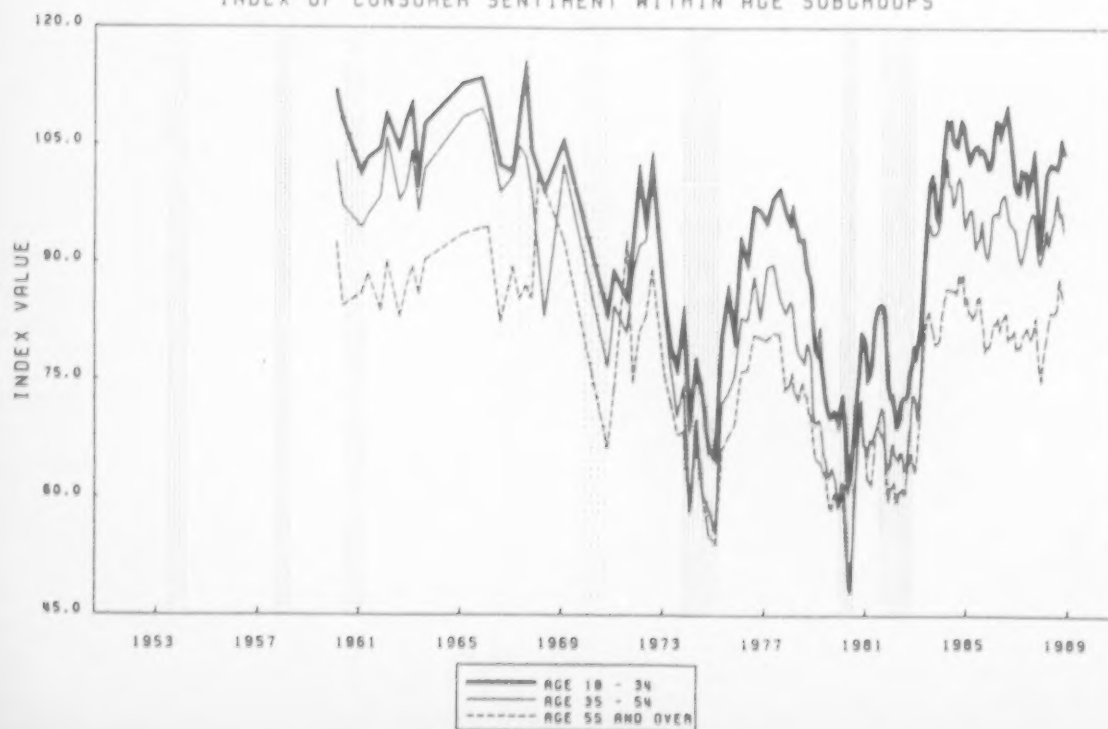


TABLE 2

INDEX OF CONSUMER SENTIMENT WITHIN REGION AND AGE SUBGROUPS

DATE OF SURVEY	CENSUS REGION				AGE OF RESPONDENT		
	North East	North Central	South	West	18-34	35-54	55+
November 1985	92.8	90.7	88.4	93.1	101.1	93.5	79.3
December 1985	98.2	90.8	92.0	98.1	103.8	95.3	82.6
January 1986	96.7	93.9	98.2	93.7	105.5	99.4	80.8
February 1986	103.4	92.7	93.2	98.0	109.7	94.1	83.8
March 1986	99.1	94.9	91.3	98.9	109.1	96.0	82.0
April 1986	102.7	92.3	94.4	99.5	104.8	97.8	83.6
May 1986	101.2	90.1	93.5	98.8	104.9	99.9	78.3
June 1986	106.2	94.1	98.5	102.7	112.7	97.9	86.6
July 1986	103.9	93.4	101.7	94.7	108.2	98.6	84.5
August 1986	102.5	92.6	90.5	98.2	107.9	95.2	80.1
September 1986	94.6	87.0	91.9	95.8	106.3	92.4	76.1
October 1986	99.1	90.0	96.5	99.3	102.5	97.3	85.7
November 1986	95.8	85.6	93.2	92.3	99.5	94.2	80.4
December 1986	91.8	90.4	89.5	84.0	98.0	91.3	78.3
January 1987	98.1	85.9	96.0	83.9	99.9	91.2	78.4
February 1987	92.4	89.5	90.7	89.2	99.1	89.2	81.5
March 1987	104.6	86.3	87.5	91.2	106.4	89.3	77.7
April 1987	99.4	91.7	93.7	87.2	99.0	95.1	83.5
May 1987	91.3	92.9	92.1	87.1	99.5	92.8	82.1
June 1987	92.5	92.2	91.5	89.7	99.0	95.5	80.0
July 1987	100.1	95.7	93.8	85.2	103.0	97.8	80.2
August 1987	99.0	91.0	95.2	93.2	103.3	95.8	80.8
September 1987	92.2	94.7	94.9	91.5	104.1	95.4	82.6
October 1987	93.8	87.2	88.3	89.1	92.0	89.9	86.2
November 1987	83.9	79.6	87.9	79.4	91.7	86.6	70.8
December 1987	83.4	83.6	90.4	89.2	94.1	92.9	73.6
January 1988	99.8	91.3	87.6	88.5	98.3	93.6	80.1
February 1988	93.7	92.1	92.8	86.3	102.5	90.3	79.9
March 1988	101.2	92.9	91.6	95.3	103.5	98.9	80.0
April 1988	94.9	93.9	88.6	89.0	100.0	87.5	86.6
May 1988	99.1	95.5	91.1	97.3	104.2	95.4	84.7
June 1988	98.1	91.2	95.9	95.2	103.1	102.0	79.5
July 1988	98.3	92.0	91.8	94.0	99.6	93.0	86.6
August 1988	95.7	100.9	94.4	98.5	103.6	101.7	86.3
September 1988	95.2	101.9	93.3	97.6	106.1	93.3	91.4
October 1988	91.8	96.1	92.9	96.6	105.8	94.6	82.0
November 1988	95.8	90.6	90.5	98.9	100.4	94.3	82.2

— CHART 3 - RECENT CHANGES
CURRENT AND EXPECTED COMPONENTS

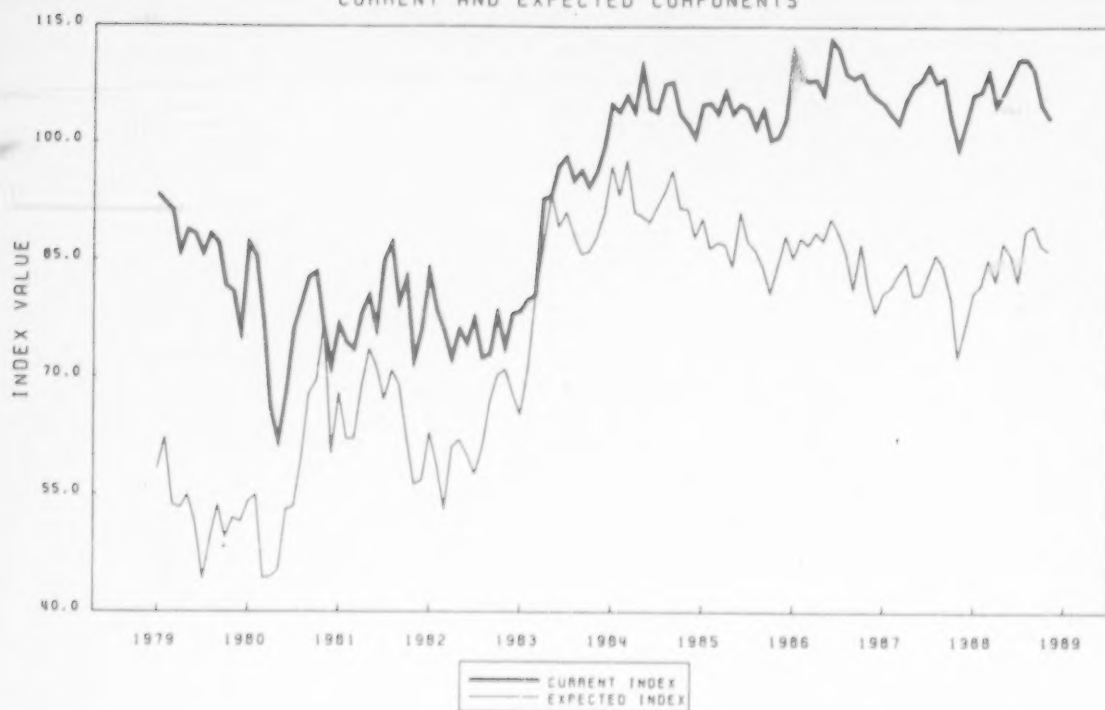


CHART 3 - HISTORICAL SERIES
CURRENT AND EXPECTED COMPONENTS

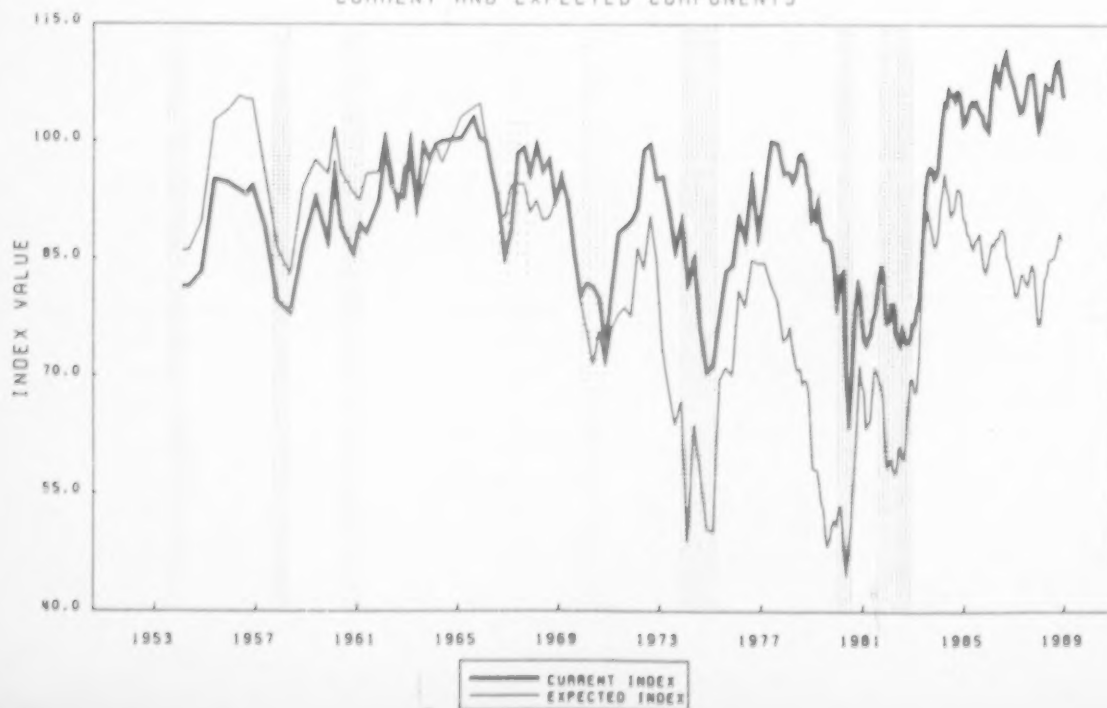


TABLE 3
COMPONENTS OF THE INDEX OF CONSUMER SENTIMENT

DATE OF SURVEY		INDEX COMPONENTS +						Current Index (1,5)	Expected Index (2,3,4)
		Personal finances		Business conditions		Buying conds.			
		Current	Expected	12 months	5 years				
		(1)	(2)	(3)	(4)				
November 1985		111	124	120	96	150	100.7	84.5	
December 1985		120	124	127	103	147	103.1	88.1	
January 1986		122	123	126	93	168	111.8	85.3	
February 1986		117	123	132	98	164	108.4	87.8	
March 1986		120	124	129	96	160	107.9	86.9	
April 1986		120	128	133	94	160	108.1	88.5	
May 1986		117	129	131	92	158	106.2	87.5	
June 1986		124	127	136	100	170	113.3	90.3	
July 1986		126	130	131	94	165	112.1	88.5	
August 1986		121	128	123	94	161	108.9	85.9	
September 1986		120	127	115	84	161	108.3	81.3	
October 1986		120	127	124	99	162	108.9	87.1	
November 1986		121	121	120	87	155	106.7	81.6	
December 1986		116	127	104	83	158	105.8	78.3	
January 1987		120	130	117	77	152	105.1	80.9	
February 1987		115	126	117	84	153	103.7	81.6	
March 1987		114	122	121	92	152	102.5	83.3	
April 1987		116	127	116	97	158	105.5	84.7	
May 1987		117	121	114	89	161	107.4	80.6	
June 1987		120	122	113	89	161	108.1	80.8	
July 1987		123	123	118	94	162	109.9	83.3	
August 1987		122	127	125	93	157	107.8	85.8	
September 1987		119	124	122	92	162	108.3	84.2	
October 1987		118	128	105	90	149	103.1	80.4	
November 1987		115	118	93	80	142	99.3	72.7	
December 1987		119	120	98	89	147	102.7	76.7	
January 1988		122	131	110	84	154	106.2	80.9	
February 1988		122	130	108	90	155	106.6	81.9	
March 1988		127	133	114	96	156	109.1	85.2	
April 1988		117	125	117	89	154	104.8	82.4	
May 1988		111	127	125	98	165	106.5	87.3	
June 1988		119	129	121	95	163	108.6	85.7	
July 1988		120	128	106	96	167	110.7	82.3	
August 1988		127	127	125	105	160	110.8	88.8	
September 1988		127	133	125	102	157	109.4	89.5	
October 1988		114	124	129	97	158	105.0	87.0	
November 1988		112	128	122	97	156	103.3	86.3	

(1) See Table 4.

(2) See Table 6.

(3) See Table 15.

(4) See Table 16.

(5) See Table 21.

+ : Percent saying "GOOD TIMES" (or "BETTER"), minus percent saying "BAD TIMES" (or "WORSE"), plus 100.

CHART 4 - RECENT CHANGES
CURRENT FINANCIAL SITUATION COMPARED WITH A YEAR AGO



CHART 4 - HISTORICAL SERIES
CURRENT FINANCIAL SITUATION COMPARED WITH A YEAR AGO



TABLE 4

CURRENT FINANCIAL SITUATION COMPARED TO A YEAR AGO

	Nov. 1987	Dec. 1987	Jan. 1988	Feb. 1988	Mar. 1988	Apr. 1988	May 1988	June 1988	July 1988	Aug. 1988	Sept 1988	Oct. 1988	Nov. 1988
BETTER OFF	42%	43%	46%	47%	49%	41%	40%	43%	45%	50%	49%	42%	41%
SAME	31	33	29	27	29	34	31	32	29	26	28	30	30
WORSE OFF	27	24	24	25	22	24	29	24	25	23	22	28	29
DK,NA	*	*	1	1	*	1	*	1	1	1	1	*	*
TOTAL	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%
CASES	501	500	502	500	500	504	500	500	501	500	500	501	508

The question was: "We are interested in how people are getting along financially these days. Would you say that you (and your family living there) are better off or worse off financially than you were a year ago?"

* : Less than half of one percent.

CHART 5A - HISTORICAL SERIES
REASONS FOR OPINIONS ABOUT PERSONAL FINANCIAL SITUATION



CHART 5B - HISTORICAL SERIES
REASONS FOR OPINIONS ABOUT PERSONAL FINANCIAL SITUATION

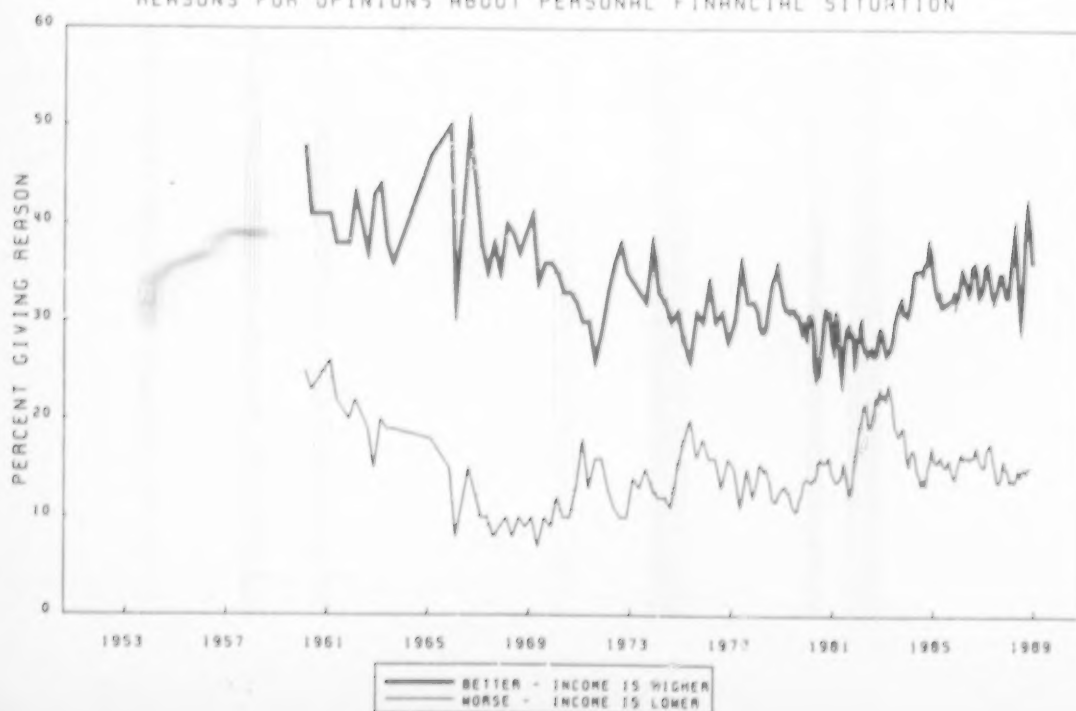


TABLE 5

SELECTED REASONS FOR OPINIONS ABOUT PERSONAL FINANCIAL SITUATION +

	Nov. 1987	Dec. 1987	Jan. 1988	Feb. 1988	Mar. 1988	Apr. 1988	May 1988	June 1988	July 1988	Aug. 1988	Sept 1988	Oct. 1988	Nov. 1988
BETTER OFF THAN YEAR AGO:													
Income is higher	33%	33%	39%	39%	40%	30%	29%	32%	40%	45%	40%	34%	35%
WORSE OFF THAN YEAR AGO:													
Income is lower	12	16	13	13	15	14	16	13	16	16	12	18	16
Higher prices	12	10	7	11	8	9	10	10	11	13	9	15	11

Responses to the query: "Why do you say so?" following the question on Table 4.

+ : May add to more than 100% due to multiple mentions.

CHART 6 - RECENT CHANGES
EXPECTED CHANGE IN FINANCIAL SITUATION

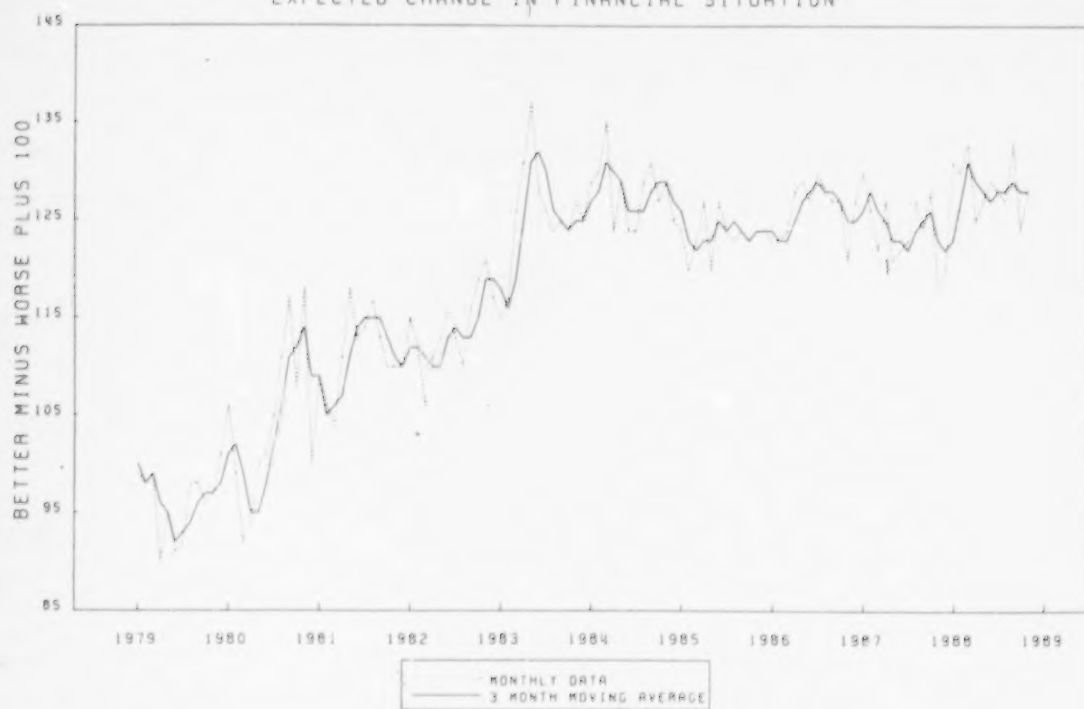


CHART 6 - HISTORICAL SERIES
EXPECTED CHANGE IN FINANCIAL SITUATION



TABLE 6

EXPECTED CHANGE IN FINANCIAL SITUATION

	Nov. 1987	Dec. 1987	Jan. 1988	Feb. 1988	Mar. 1988	Apr. 1988	May 1988	June 1988	July 1988	Aug. 1988	Sept 1988	Oct. 1988	Nov. 1988
BETTER OFF	33%	32%	38%	39%	39%	34%	36%	39%	38%	36%	41%	36%	37%
SAME	49	51	53	48	52	54	52	48	48	49	47	48	49
WORSE OFF	15	12	7	9	6	9	9	10	10	9	8	12	9
DK,NA	3	5	2	4	3	3	3	3	4	6	4	4	5
TOTAL	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%
CASES	501	500	502	500	500	504	500	500	501	500	500	501	508

The question was: "Now looking ahead--do you think that a year from now you (and your family living there) will be better off financially, or worse off, or just about the same as now?"

CHART 7 - RECENT CHANGES
TREND IN PERSONAL FINANCIAL SITUATION



CHART 7 - HISTORICAL SERIES
TREND IN PERSONAL FINANCIAL SITUATION



TABLE 7

TREND IN PERSONAL FINANCIAL SITUATION

	Nov. 1987	Dec. 1987	Jan. 1988	Feb. 1988	Mar. 1988	Apr. 1988	May 1988	June 1988	July 1988	Aug. 1988	Sept 1988	Oct. 1988	Nov. 1988
PERSONAL FINANCIAL PROGRESS:													
Continuous increase (a)	19%	17%	21%	20%	25%	18%	19%	24%	19%	25%	25%	20%	21%
Intermittant increase (b)	25	27	31	31	30	30	24	25	31	26	28	25	25
Remain unchanged (c)	18	19	19	15	17	20	21	19	16	16	17	18	18
Intermittant decline (d)	18	17	13	13	13	16	17	16	13	14	10	15	16
Continuous decline (e)	6	2	3	3	3	3	4	4	4	4	3	6	4
Mixed change (f)	11	13	11	13	9	9	13	9	13	8	12	11	11
DK,NA	3	5	2	5	3	4	2	3	4	7	5	5	5
TOTAL	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%
CASES	501	500	502	500	500	504	500	500	501	500	500	501	508

Combination of the responses to the questions on Tables 4 and 6.

- Key: (a) Better off financially than a year ago/Better off a year from now
 (b) Better/Same or Same/Better
 (c) Same/Same
 (d) Worse/Same or Same/Worse
 (e) Worse/Worse
 (f) Worse/Better or Better/Worse

CHART 8 - RECENT CHANGES
 MEDIAN EXPECTED CHANGE IN FAMILY INCOME



CHART 8 - HISTORICAL SERIES
 MEDIAN EXPECTED CHANGE IN FAMILY INCOME



TABLE 8

EXPECTED FAMILY INCOME CHANGE DURING THE NEXT 12 MONTHS

	Nov. 1987	Dec. 1987	Jan. 1988	Feb. 1988	Mar. 1988	Apr. 1988	May 1988	June 1988	July 1988	Aug. 1988	Sept 1988	Oct. 1988	Nov. 1988
EXPECT INCREASE:													
1-4%	18%	19%	18%	16%	16%	16%	15%	15%	18%	14%	16%	16%	18%
5%	11	10	12	15	11	9	12	9	10	14	10	12	11
6-9%	8	8	7	8	7	6	7	7	10	9	8	6	9
10-24%	18	14	15	17	17	14	13	15	14	17	16	15	15
25% or more	7	4	6	5	7	6	9	6	7	5	8	6	7
DK how much up	2	3	4	2	2	6	2	5	5	6	6	5	7
EXPECT SAME	21	23	27	23	29	30	28	28	24	25	25	27	20
EXPECT DOWN	13	19	10	12	9	12	13	13	11	9	10	12	11
DK, NA	2	*	1	2	2	1	1	2	1	1	1	1	2
TOTAL	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%
CASES	501	500	502	500	500	504	500	500	501	500	500	501	508

The questions were: "During the next 12 months, do you expect your (family) income to be higher or lower than during the past year?" and "By about what percent do you expect your (family) income to increase during the next 12 months?"

* : Less than half of one percent.

CHART 9 - RECENT CHANGES
INCOME OR PRICES UP MORE NEXT YEAR



CHART 9 - HISTORICAL SERIES
INCOME OR PRICES UP MORE NEXT YEAR



TABLE 9

EXPECTED CHANGE IN REAL FAMILY INCOME

	Nov. 1987	Dec. 1987	Jan. 1988	Feb. 1988	Mar. 1988	Apr. 1988	May 1988	June 1988	July 1988	Aug. 1988	Sept 1988	Oct. 1988	Nov. 1988
INCOME UP MORE	22%	19%	19%	20%	22%	19%	19%	18%	19%	20%	25%	18%	21%
INCOME UP SAME	43	41	44	45	44	47	44	46	46	43	41	46	43
PRICES UP MORE	35	38	35	32	31	33	34	33	34	32	31	34	33
DK,NA	*	2	2	3	3	1	3	3	1	5	3	2	3
TOTAL	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%
CASES	501	500	502	500	500	504	500	500	501	500	500	501	508

The question was: "How about the next year or two--do you expect that your (family) income will go up more than prices will go up, about the same, or less than prices will go up?"

* : Less than half of one percent.

CHART 10 - RECENT CHANGES
NEWS HEARD OF RECENT CHANGES IN BUSINESS CONDITIONS

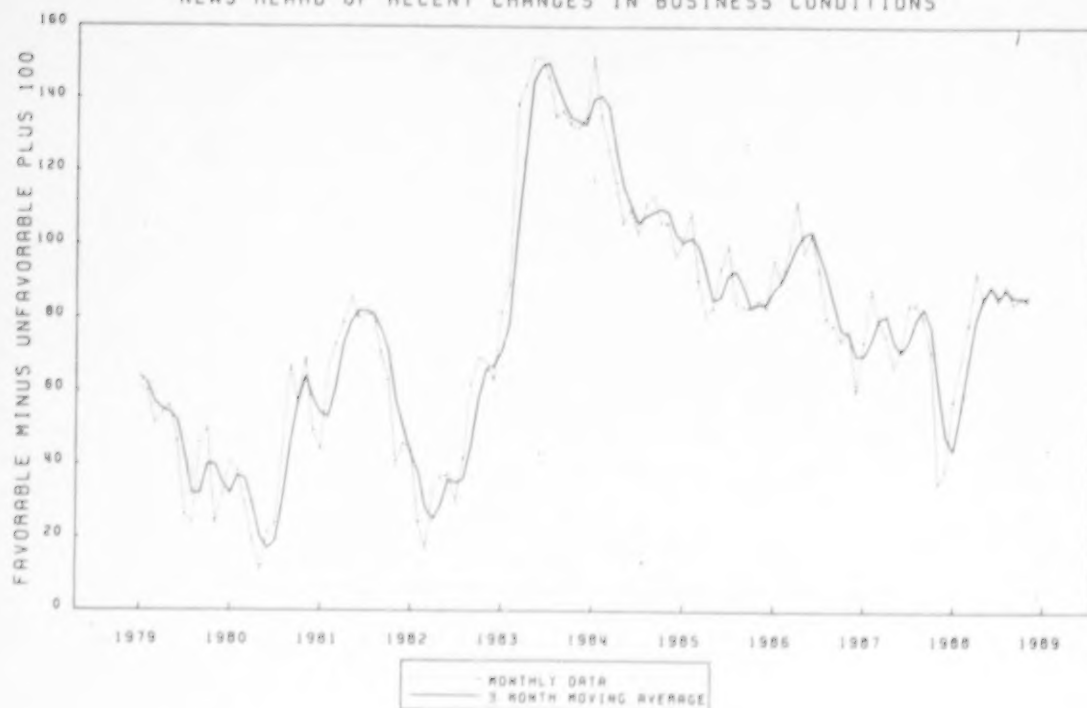


CHART 10 - HISTORICAL SERIES
NEWS HEARD OF RECENT CHANGES IN BUSINESS CONDITIONS



TABLE 10

NEWS HEARD OF RECENT CHANGES IN BUSINESS CONDITIONS +

	Nov. 1987	Dec. 1987	Jan. 1988	Feb. 1988	Mar. 1988	Apr. 1988	May 1988	June 1988	July 1988	Aug. 1988	Sept 1988	Oct. 1988	Nov. 1988
FAVORABLE NEWS	18%	18%	23%	26%	29%	30%	33%	29%	29%	28%	32%	29%	25%
UNFAVORABLE NEWS	83	79	65	58	50	37	48	40	44	39	48	43	39
NO MENTIONS	32	36	41	42	45	51	44	50	50	53	46	52	54

The questions were: "During the last few months, have you heard of any favorable or unfavorable changes in business conditions?" and "What did you hear?"

+ : May add to more than 100% due to multiple mentions.

CHART 11A - HISTORICAL SERIES
TYPE OF NEWS HEARD ABOUT CHANGES IN BUSINESS CONDITIONS



CHART 11B - HISTORICAL SERIES
TYPE OF NEWS HEARD ABOUT CHANGES IN BUSINESS CONDITIONS



TABLE 11

SELECTED ITEMS OF
NEWS HEARD OF RECENT CHANGES IN BUSINESS CONDITIONS +

	Nov. 1987	Dec. 1987	Jan. 1988	Feb. 1988	Mar. 1988	Apr. 1988	May 1988	June 1988	July 1988	Aug. 1988	Sept. 1988	Oct. 1988	Nov. 1988
FAVORABLE NEWS:													
Government; elections	*	1%	1%	1%	1%	2%	3%	2%	1%	2%	3%	2%	2%
Employment	10	7	9	11	11	11	14	11	13	14	11	12	13
Higher consumer demand	1	1	2	1	2	1	3	1	3	2	2	2	2
Lower prices	*	*	1	1	1	*	1	1	1	*	1	1	1
Easier credit	1	2	1	4	2	2	2	1	1	1	1	1	1
Stock market	2	1	*	1	2	3	2	3	3	1	2	2	1
Trade deficit	1	1	3	2	3	2	1	2	1	1	3	2	1
UNFAVORABLE NEWS:													
Government; elections	6	6	6	6	3	5	5	6	4	3	3	5	6
Unemployment	15	15	16	13	22	12	16	13	14	12	18	17	13
Lower consumer demand	5	4	4	3	1	3	3	2	2	3	3	3	2
Higher prices	1	2	4	1	1	2	2	2	2	2	5	3	2
Tighter credit	5	3	1	2	1	1	4	3	3	7	6	4	2
Stock market	38	32	21	18	10	7	7	6	5	3	2	3	3
Trade deficit	4	7	6	4	3	3	4	3	1	2	1	1	4

The questions were: "During the last few months, have you heard of any favorable or unfavorable changes in business conditions?" and "What did you hear?"

+ : May add to more than 100% due to multiple mentions.

* : Less than half of one percent.

CHART 12 - RECENT CHANGES
CURRENT BUSINESS CONDITIONS COMPARED WITH A YEAR AGO

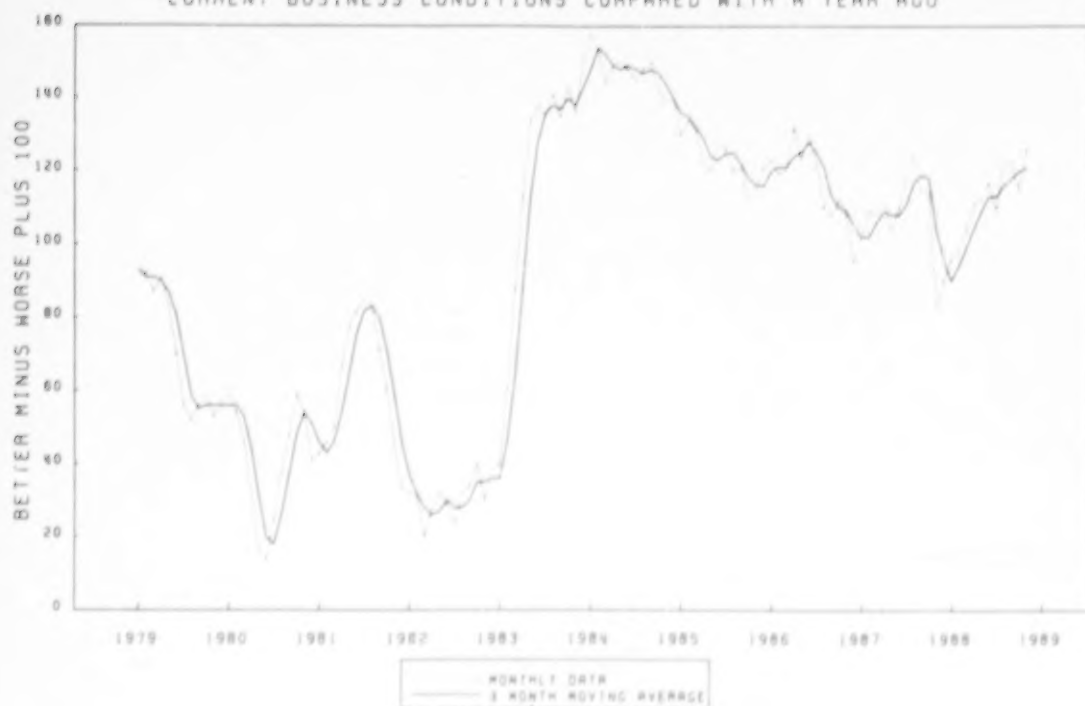


CHART 12 - HISTORICAL SERIES
CURRENT BUSINESS CONDITIONS COMPARED WITH A YEAR AGO



TABLE 12
CURRENT BUSINESS CONDITIONS COMPARED TO A YEAR AGO

	Nov. 1987	Dec. 1987	Jan. 1988	Feb. 1988	Mar. 1988	Apr. 1988	May 1988	June 1988	July 1988	Aug. 1988	Sept 1988	Oct. 1988	Nov. 1988
BETTER NOW	33%	36%	40%	41%	40%	47%	47%	47%	45%	51%	50%	46%	54%
SAME	16	15	14	13	21	14	17	21	15	18	20	21	17
WORSE NOW	50	46	44	44	36	36	35	30	36	28	28	31	28
DK,NA	1	3	2	2	3	3	1	2	4	3	2	2	1
TOTAL	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%
CASES	501	500	502	500	500	504	500	500	501	500	500	501	508

The question was: "Would you say that at the present time business conditions are better or worse than they were a year ago?"

CHART 13 - RECENT CHANGES
EXPECTED CHANGE IN BUSINESS CONDITIONS IN A YEAR



CHART 13 - HISTORICAL SERIES
EXPECTED CHANGE IN BUSINESS CONDITIONS IN A YEAR

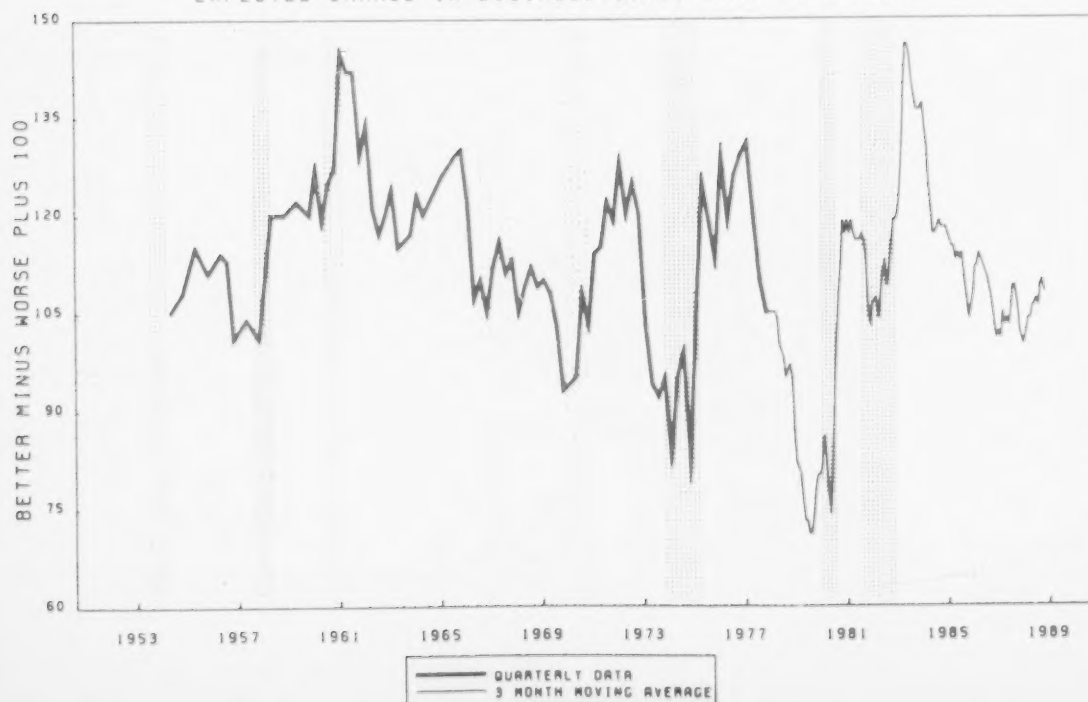


TABLE 13

EXPECTED CHANGE IN BUSINESS CONDITIONS IN A YEAR

	Nov. 1987	Dec. 1987	Jan. 1988	Feb. 1988	Mar. 1988	Apr. 1988	May 1988	June 1988	July 1988	Aug. 1988	Sept 1988	Oct. 1988	Nov. 1988
BETTER	23%	22%	21%	23%	21%	21%	26%	24%	23%	24%	27%	23%	19%
SAME	52	53	58	58	58	57	53	54	53	54	55	59	60
WORSE	23	23	19	17	17	18	16	19	18	16	14	14	18
DK,NA	2	2	2	2	4	4	5	3	6	6	4	4	3
TOTAL	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%
CASES	501	500	502	500	500	504	500	500	501	500	500	501	508

The question was: "And how about a year from now, do you expect that in the country as a whole business conditions will be better, or worse than they are at present, or just about the same?"

CHART 14 - RECENT CHANGES
TREND IN PAST AND EXPECTED BUSINESS CONDITIONS



CHART 14 - HISTORICAL SERIES
TREND IN PAST AND EXPECTED BUSINESS CONDITIONS

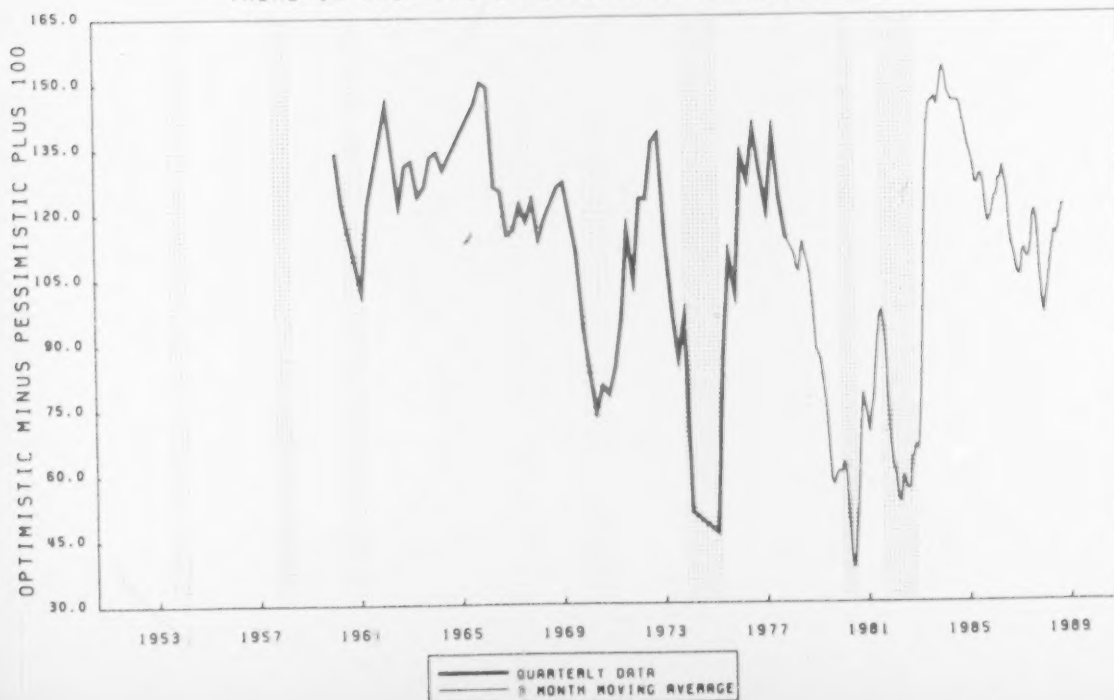


TABLE 14

TREND IN PAST AND EXPECTED CHANGES IN BUSINESS CONDITIONS

	Nov. 1987	Dec. 1987	Jan. 1988	Feb. 1988	Mar. 1988	Apr. 1988	May 1988	June 1988	July 1988	Aug. 1988	Sept 1988	Oct. 1988	Nov. 1988
TREND:													
Continuous increase (a)	10%	10%	11%	12%	10%	14%	16%	15%	12%	18%	18%	15%	13%
Intermittant increase (b)	22	24	29	27	30	30	29	30	28	29	31	31	35
Remain unchanged (c)	10	10	8	10	12	9	9	13	9	11	11	13	10
Intermittant decline (d)	26	22	25	24	21	20	20	18	20	17	19	19	21
Continuous decline (e)	16	16	14	12	10	12	10	10	10	8	6	9	7
Mixed change (f)	14	13	10	11	11	9	11	10	12	8	9	7	10
DK,NA	2	5	3	4	6	6	5	4	9	9	6	6	4
TOTAL	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%
CASES	501	500	502	500	500	504	500	500	501	500	500	501	508

Combination of the responses to the questions on Tables 12 and 13.

Key: (a) Better than a year ago/Better a year from now
 (b) Better/Same or Same/Better
 (c) Same/Same
 (d) Worse/Same or Same/Worse
 (e) Worse/Worse
 (f) Worse/Better or Better/Worse

CHART 15 - RECENT CHANGES
BUSINESS CONDITIONS EXPECTED DURING THE NEXT TWELVE MONTHS

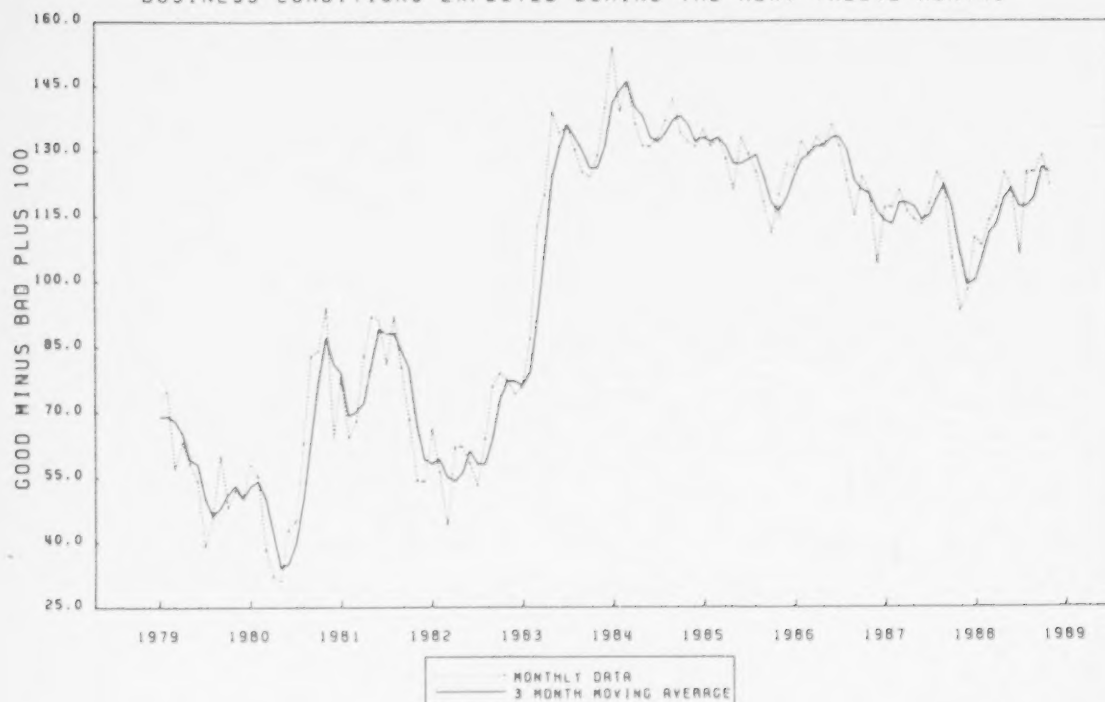


CHART 15 - HISTORICAL SERIES
BUSINESS CONDITIONS EXPECTED DURING THE NEXT TWELVE MONTHS



TABLE 15

BUSINESS CONDITIONS EXPECTED DURING THE NEXT 12 MONTHS

	Nov. 1987	Dec. 1987	Jan. 1988	Feb. 1988	Mar. 1988	Apr. 1988	May 1988	June 1988	July 1988	Aug. 1988	Sept 1988	Oct. 1988	Nov. 1988
GOOD TIMES	38%	41%	47%	45%	47%	50%	54%	54%	44%	52%	53%	54%	53%
UNCERTAIN; GOOD & BAD	2	4	4	4	4	4	4	3	4	4	5	7	4
BAD TIMES	45	43	37	37	33	33	29	33	38	27	28	25	31
DON'T KNOW	8	6	7	7	7	9	8	6	9	11	9	8	7
NOT ASCERTAINED	7	6	5	7	9	4	5	4	5	6	5	6	5
TOTAL	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%
CASES	501	500	502	500	500	504	500	500	501	500	500	501	508

The question was: "Now turning to business conditions in the country as a whole--do you think that during the next 12 months we'll have good times financially, or bad times or what?"

CHART 16 - RECENT CHANGES
BUSINESS CONDITIONS EXPECTED FOR THE NEXT FIVE YEARS



CHART 16 - HISTORICAL SERIES
BUSINESS CONDITIONS EXPECTED FOR THE NEXT FIVE YEARS

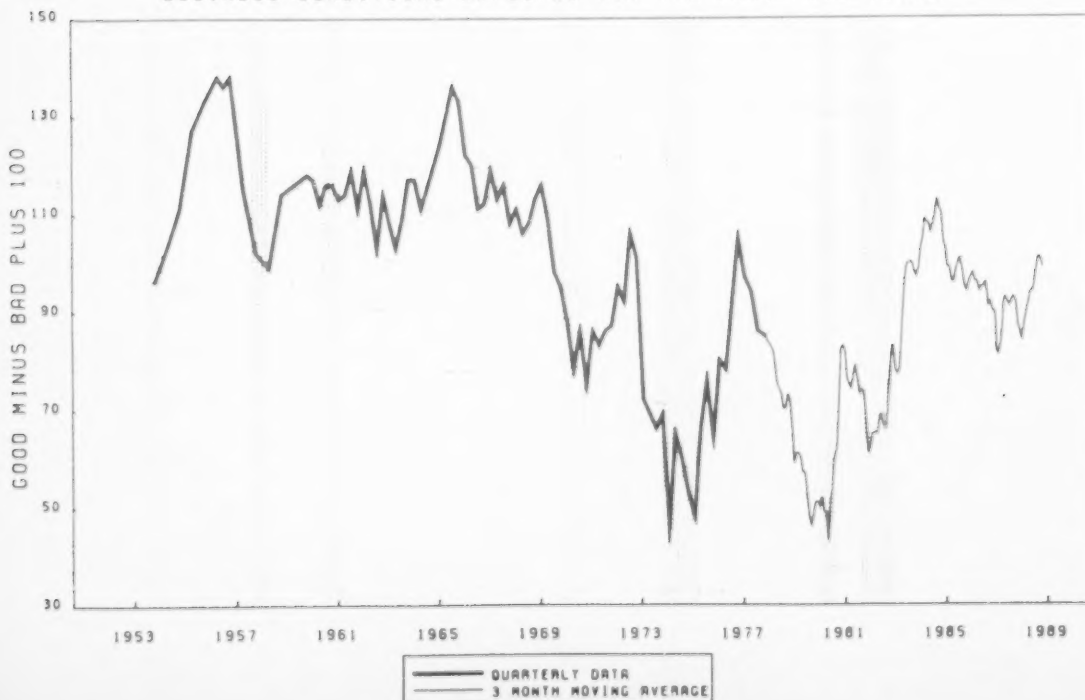


TABLE 16

BUSINESS CONDITIONS EXPECTED DURING THE NEXT FIVE YEARS

	Nov. 1987	Dec. 1987	Jan. 1988	Feb. 1988	Mar. 1988	Apr. 1988	May 1988	June 1988	July 1988	Aug. 1988	Sept 1988	Oct. 1988	Nov. 1988
GOOD TIMES	31%	33%	34%	35%	39%	36%	41%	36%	39%	43%	41%	40%	40%
UNCERTAIN; GOOD & BAD	13	16	12	15	14	15	13	16	11	16	17	12	14
BAD TIMES	51	44	50	45	43	47	43	41	43	38	39	43	43
NOT ASCERTAINED	5	7	4	5	4	2	3	7	7	3	3	5	3
TOTAL	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%
CASES	501	500	502	500	500	504	500	500	501	500	500	501	508

The question was: "Looking ahead, which would you say is more likely--that in the country as a whole we'll have continuous good times during the next 5 years or so, or that we will have periods of widespread unemployment or depression, or what?"

CHART 17 - RECENT CHANGES
EXPECTED CHANGE IN UNEMPLOYMENT



CHART 17 - HISTORICAL SERIES
EXPECTED CHANGE IN UNEMPLOYMENT

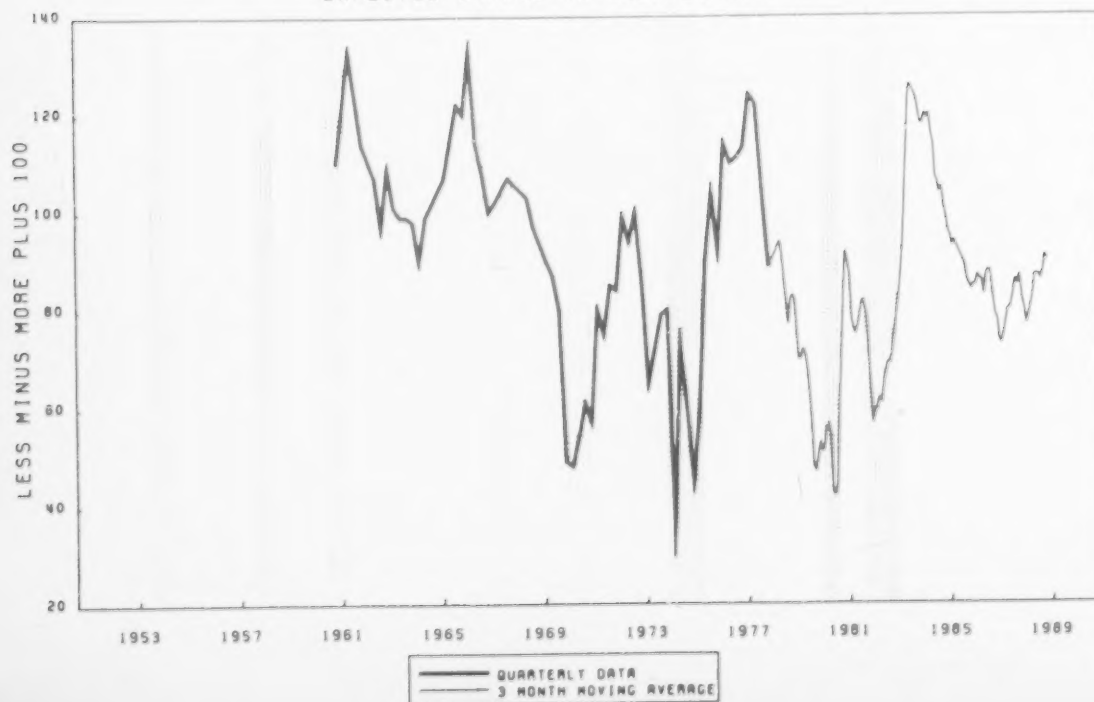


TABLE 17
EXPECTED CHANGE IN UNEMPLOYMENT

	Nov. 1987	Dec. 1987	Jan. 1988	Feb. 1988	Mar. 1988	Apr. 1988	May 1988	June 1988	July 1988	Aug. 1988	Sept 1988	Oct. 1988	Nov. 1988
LESS	10%	12%	12%	12%	12%	14%	11%	15%	15%	15%	17%	16%	14%
SAME	53	51	54	53	58	56	67	53	54	53	52	60	57
MORE	36	34	33	33	28	28	21	31	29	27	27	22	27
DK,NA	1	3	1	2	2	2	1	1	2	5	4	2	2
TOTAL	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%
CASES	501	500	502	500	500	504	500	500	501	500	500	501	508

The question was: "How about people out of work during the coming 12 months--do you think that there will be more unemployment than now, about the same, or less?"

CHART 18 - RECENT CHANGES
EXPECTED CHANGE IN INTEREST RATES



CHART 18 - HISTORICAL SERIES
EXPECTED CHANGE IN INTEREST RATES



TABLE 18

EXPECTED CHANGE IN INTEREST RATES

	Nov. 1987	Dec. 1987	Jan. 1988	Feb. 1988	Mar. 1988	Apr. 1988	May 1988	June 1988	July 1988	Aug. 1988	Sept 1988	Oct. 1988	Nov. 1988
GO UP	49%	52%	54%	44%	49%	48%	64%	67%	65%	71%	67%	62%	62%
STAY THE SAME	26	26	32	32	29	35	26	24	22	19	21	24	27
GO DOWN	22	20	12	21	19	14	8	7	11	7	8	11	9
DK,NA	3	2	2	3	3	3	2	2	2	3	4	3	2
TOTAL	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%
CASES	501	500	502	500	500	504	500	500	501	500	500	501	508

The question was: "No one can say for sure, but what do you think will happen to interest rates for borrowing money during the next 12 months--will they go up, stay the same, or go down?"

CHART 19 - RECENT CHANGES
MEAN EXPECTED PRICE INCREASE OVER THE NEXT 12 MONTHS



CHART 19 - HISTORICAL SERIES
MEAN EXPECTED PRICE INCREASE OVER THE NEXT 12 MONTHS



TABLE 19
EXPECTED CHANGE IN PRICES DURING THE NEXT 12 MONTHS

	Nov. 1987	Dec. 1987	Jan. 1988	Feb. 1988	Mar. 1988	Apr. 1988	May 1988	June 1988	July 1988	Aug. 1988	Sept 1988	Oct. 1988	Nov. 1988
SAME OR DOWN	20%	21%	23%	17%	18%	14%	13%	13%	8%	8%	8%	9%	11%
WILL GO UP BY:													
1-2%	16	19	16	21	19	19	19	18	15	15	16	20	15
3-4%	22	21	21	23	24	25	26	20	23	23	25	21	28
5%	20	15	17	16	19	18	18	20	19	22	21	20	18
6-9%	8	8	6	6	6	7	7	8	12	9	10	8	8
10-14%	5	8	7	7	6	7	6	9	12	8	7	9	9
15% or more	4	3	6	5	3	4	6	6	6	6	6	5	5
DK how much up	4	4	3	4	5	5	4	5	5	8	6	6	5
DK,NA	1	1	1	1	*	1	1	1	*	1	1	2	1
TOTAL	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%
MEAN INCREASE	3.9	4.0	4.4	4.5	4.1	4.5	4.9	5.6	5.6	5.4	5.5	5.2	5.4
VARIANCE	25	26	35	40	26	31	41	60	37	38	52	40	55
CASES	501	500	502	500	500	504	500	500	501	500	500	501	508

The questions were: "During the next 12 months, do you think that prices in general will go up, or go down, or stay where they are now?" and "By about what percent do you expect prices to go up, on the average, during the next 12 months?"

* : Less than half of one percent.

CHART 20 - RECENT CHANGES
OPINIONS ABOUT THE GOVERNMENT'S ECONOMIC POLICY

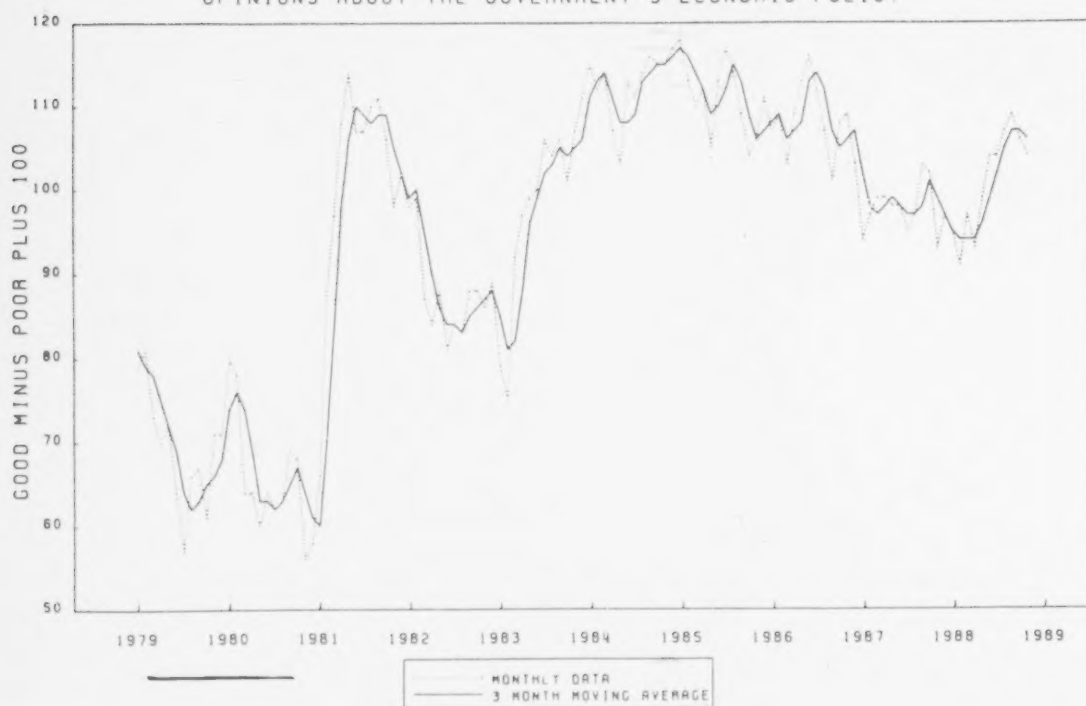


CHART 20 - HISTORICAL SERIES
OPINIONS ABOUT THE GOVERNMENT'S ECONOMIC POLICY

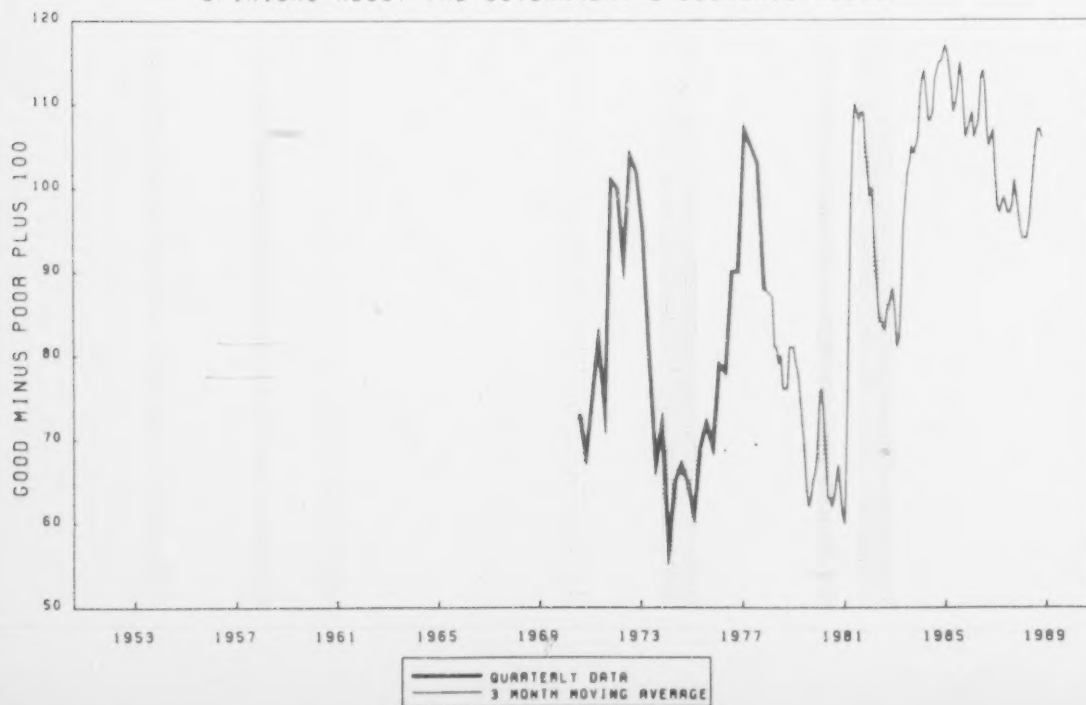


TABLE 20

OPINIONS ABOUT THE GOVERNMENT'S ECONOMIC POLICY

	Nov. 1987	Dec. 1987	Jan. 1988	Feb. 1988	Mar. 1988	Apr. 1988	May 1988	June 1988	July 1988	Aug. 1988	Sept 1988	Oct. 1988	Nov. 1988
A GOOD JOB	18%	19%	17%	18%	23%	18%	21%	23%	25%	28%	29%	26%	27%
ONLY FAIR	54	56	60	53	49	56	56	57	51	48	49	51	49
A POOR JOB	25	22	22	27	26	25	22	19	21	21	20	20	23
DK,NA	3	3	1	2	2	1	1	1	3	3	2	3	1
TOTAL	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%
CASES	501	500	502	500	500	504	500	500	501	500	500	501	508

The question was: "As to the economic policy of the government--I mean steps taken to fight inflation or unemployment--would you say the government is doing a good job, only fair, or a poor job?"

CHART 21 - RECENT CHANGES
BUYING CONDITIONS FOR LARGE HOUSEHOLD GOODS



CHART 21 - HISTORICAL SERIES
BUYING CONDITIONS FOR LARGE HOUSEHOLD GOODS

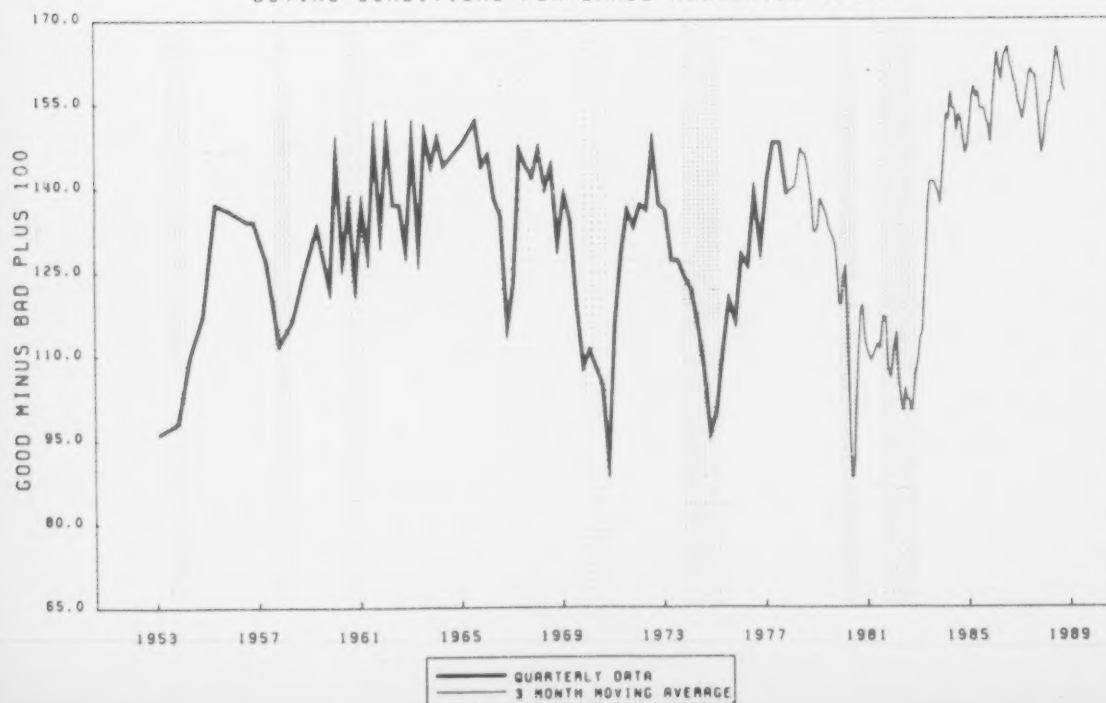


TABLE 21
BUYING CONDITIONS FOR LARGE HOUSEHOLD GOODS

	Nov. 1987	Dec. 1987	Jan. 1988	Feb. 1988	Mar. 1988	Apr. 1988	May 1988	June 1988	July 1988	Aug. 1988	Sept 1988	Oct. 1988	Nov. 1988
GOOD TIME TO BUY	66%	69%	72%	72%	71%	73%	79%	74%	79%	74%	71%	73%	73%
UNCERTAIN, DEPENDS	10	9	10	11	14	8	7	15	9	12	15	12	10
BAD TIME TO BUY	24	22	18	17	15	19	14	11	12	14	14	15	17
TOTAL	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%
CASES	501	500	502	500	500	504	500	500	501	500	500	501	508

The question was: "About the big things people buy for their homes--such as furniture, a refrigerator, stove, television, and things like that. Generally speaking, do you think now is a good or a bad time for people to buy major household items?"

CHART 22A - HISTORICAL SERIES
REASONS FOR OPINIONS ABOUT BUYING CONDITIONS FOR DURABLES

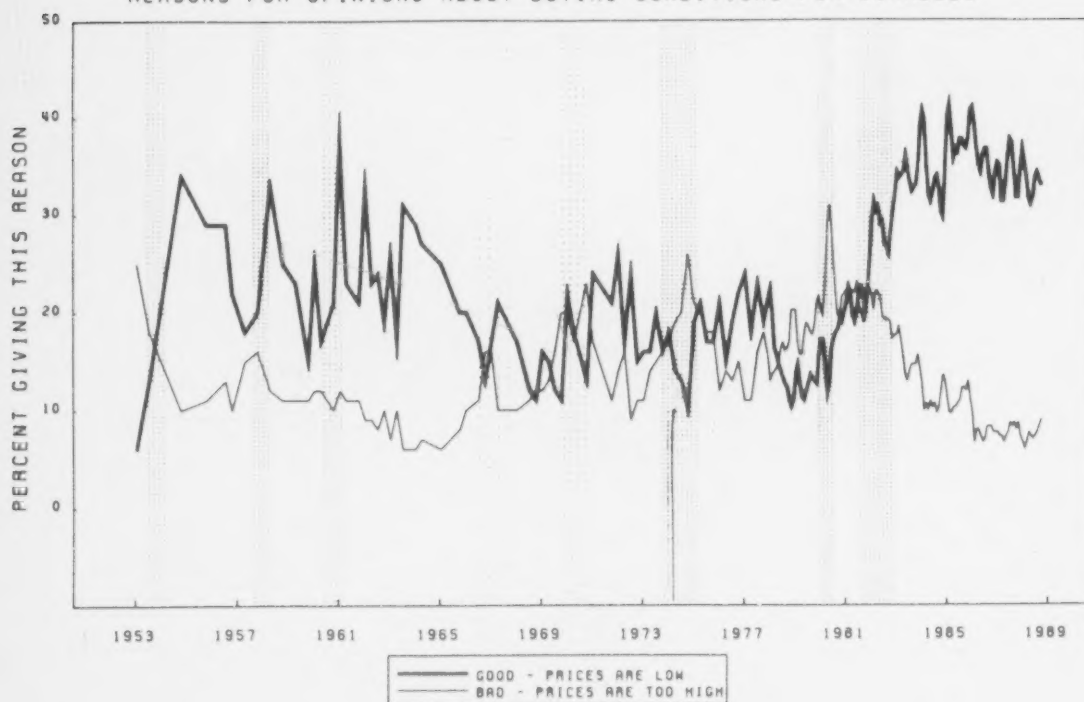


CHART 22B - HISTORICAL SERIES
REASONS FOR OPINIONS ABOUT BUYING CONDITIONS FOR DURABLES

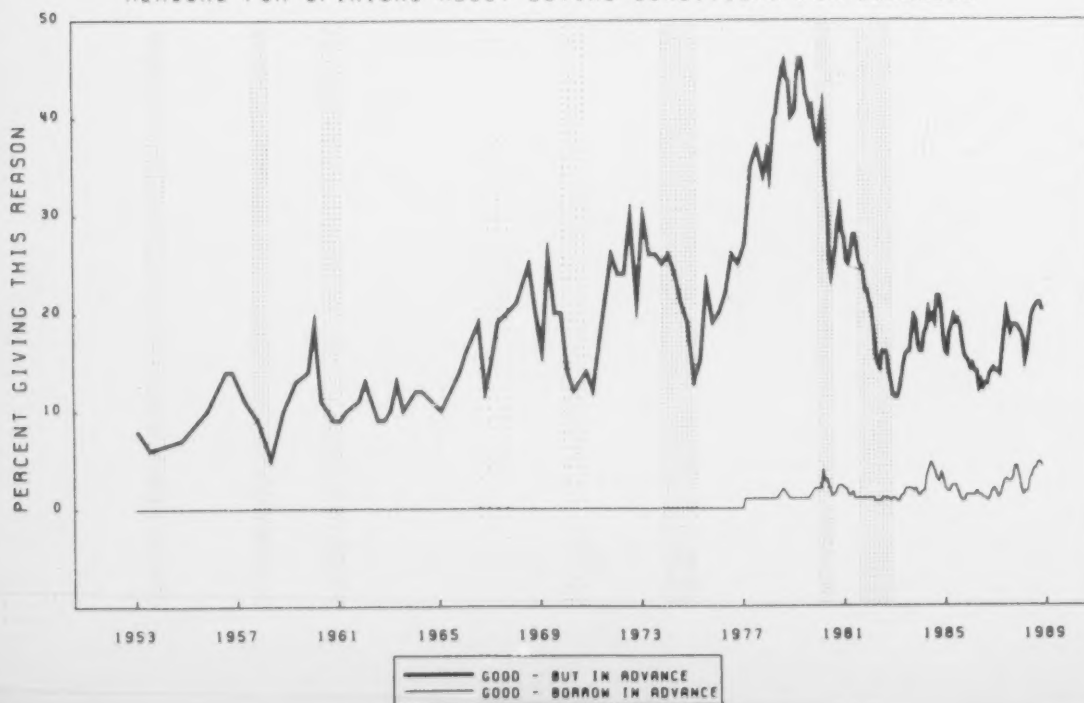


TABLE 22

SELECTED REASONS FOR OPINIONS ABOUT BUYING CONDITIONS FOR LARGE HOUSEHOLD GOODS +

	Nov. 1987	Dec. 1987	Jan. 1988	Feb. 1988	Mar. 1988	Apr. 1988	May 1988	June 1988	July 1988	Aug. 1988	Sept 1988	Oct. 1988	Nov. 1988
GOOD TIME TO BUY:													
Prices are low; good buys available	30%	37%	37%	36%	33%	32%	30%	31%	34%	36%	33%	32%	34%
Prices won't come down; are going higher	16	22	16	14	15	19	20	20	21	21	21	21	19
Interest rates are low	11	8	6	8	10	9	6	8	7	7	7	7	8
Borrow-in-advance of rising interest rates	3	1	2	1	2	2	5	3	4	5	5	4	4
Times are good; prosperity	4	4	6	7	8	10	7	7	10	7	5	8	5
BAD TIME TO BUY:													
Prices are high	7	10	5	5	8	7	8	7	6	9	8	8	11
Interest rates are high; credit is tight	8	6	4	5	4	4	4	2	2	3	3	4	3
Times are bad; can't afford to buy	4	4	8	6	5	6	3	2	3	3	2	4	3
Bad times ahead; uncertain future	10	5	4	4	2	4	2	1	3	3	3	2	1

Responses to the query: "Why do you say so?" following the question on Table 21.

+ : May add to more than 100% due to multiple mentions.

CHART 22C - HISTORICAL SERIES
REASONS FOR OPINIONS ABOUT BUYING CONDITIONS FOR DURABLES

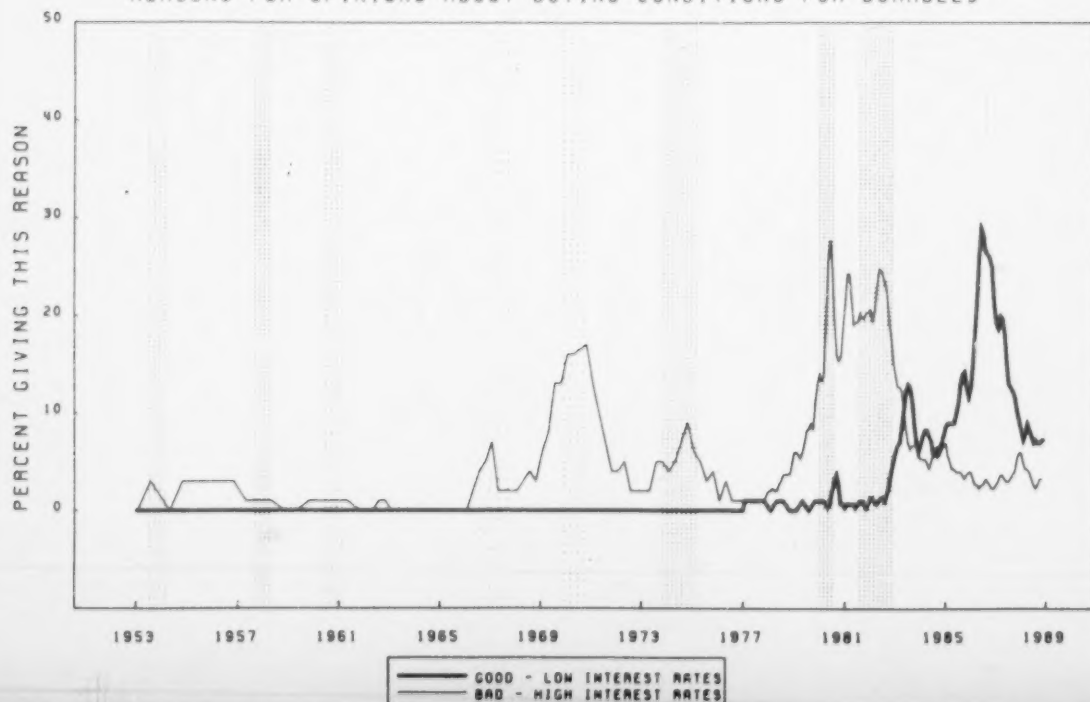


CHART 23 - RECENT CHANGES
BUYING CONDITIONS FOR HOUSES



CHART 23 - HISTORICAL SERIES
BUYING CONDITIONS FOR HOUSES

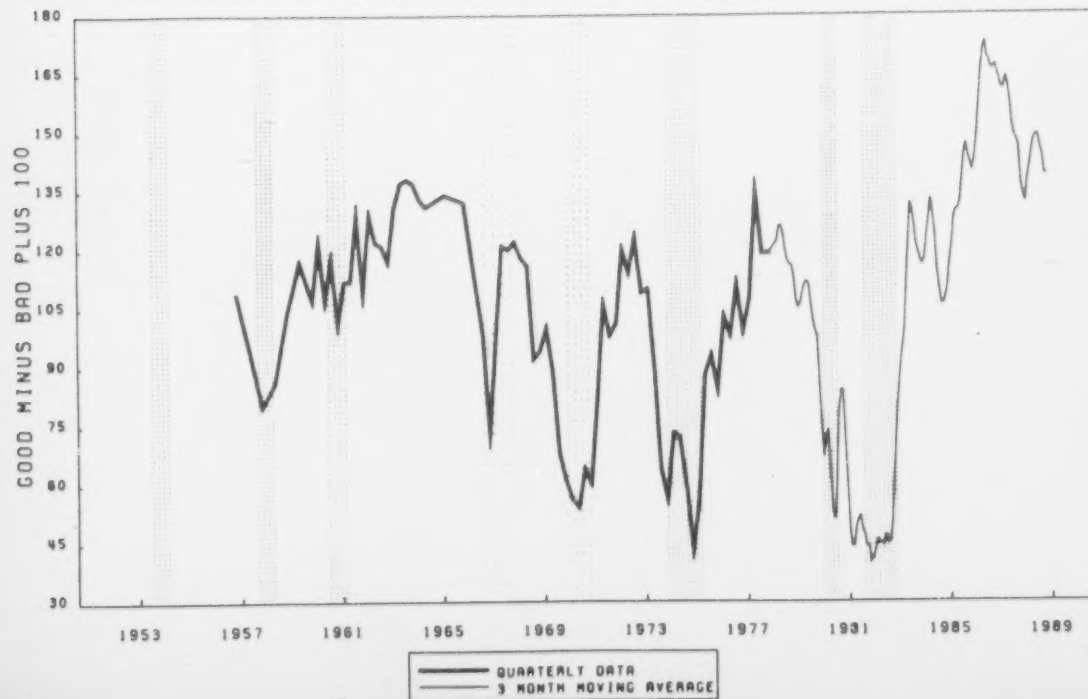


TABLE 23
BUYING CONDITIONS FOR HOUSES

	Nov. 1987	Dec. 1987	Jan. 1988	Feb. 1988	Mar. 1988	Apr. 1988	May 1988	June 1988	July 1988	Aug. 1988	Sept 1988	Oct. 1988	Nov. 1988
GOOD TIME TO BUY	58%	68%	67%	67%	71%	72%	72%	73%	72%	67%	70%	64%	67%
UNCERTAIN, DEPENDS	4	3	3	3	6	5	3	5	4	6	5	5	4
BAD TIME TO BUY	38	29	30	30	23	23	25	22	24	27	25	31	29
TOTAL	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%
CASES	501	500	502	500	500	504	500	500	501	500	500	501	508

The question was: "Generally speaking, do you think now is a good time or a bad time to buy a house?"

CHART 24A - HISTORICAL SERIES
REASONS FOR OPINIONS ABOUT BUYING CONDITIONS FOR HOUSES

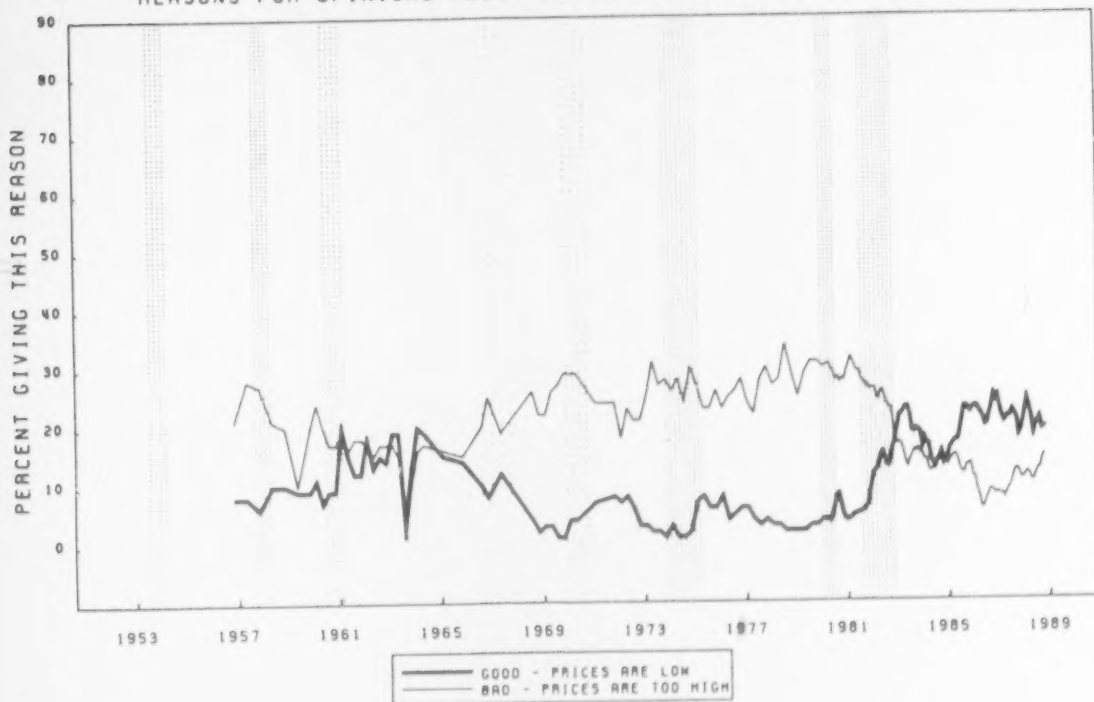


CHART 24B - HISTORICAL SERIES
REASONS FOR OPINIONS ABOUT BUYING CONDITIONS FOR HOUSES

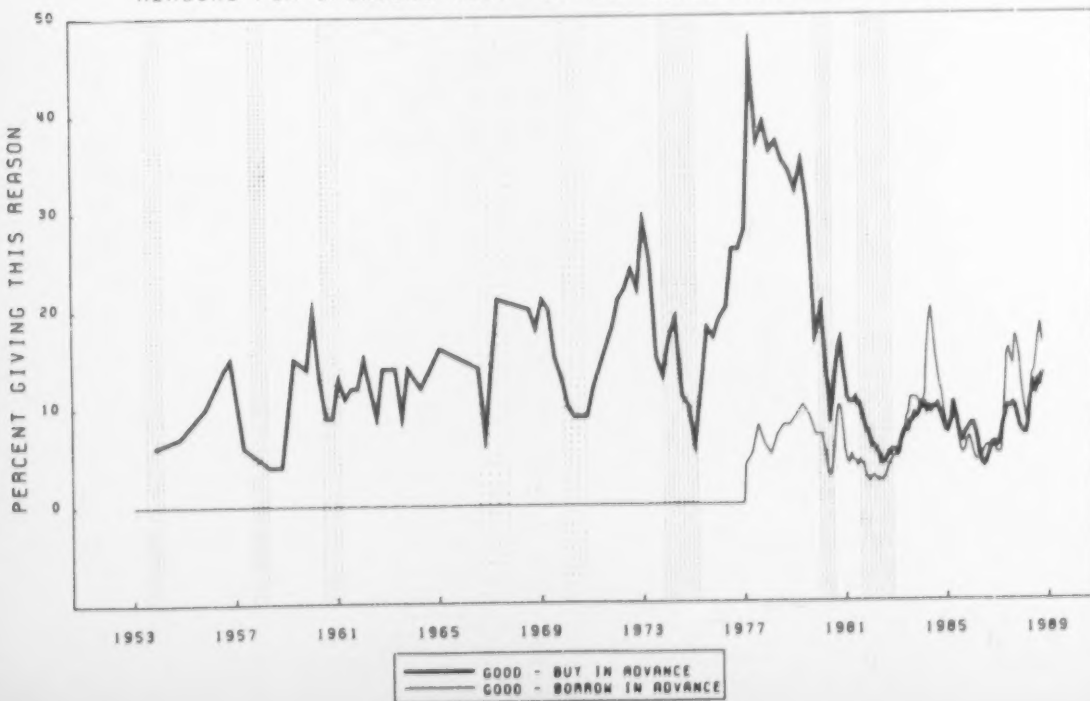


TABLE 24

SELECTED REASONS FOR OPINIONS ABOUT BUYING CONDITIONS FOR HOUSES +

GOOD TIME TO BUY:

	Nov. 1987	Dec. 1987	Jan. 1988	Feb. 1988	Mar. 1988	Apr. 1988	May 1988	June 1988	July 1988	Aug. 1988	Sept. 1988	Oct. 1988	Nov. 1988
Prices are low; good buys available	16%	21%	24%	22%	27%	20%	16%	19%	24%	18%	21%	18%	19%
Prices won't come down; are going higher	6	9	7	5	9	10	12	12	12	10	15	11	13
Interest rates are low	32	40	35	44	47	40	37	34	30	28	22	25	33
Borrow-in-advance of rising interest rates	11	12	13	6	7	10	14	15	11	19	21	15	13
Good investment	7	9	7	4	6	7	10	6	7	9	9	9	10
Times are good; prosperity	3	3	3	4	4	4	5	5	6	5	4	4	3

BAD TIME TO BUY:

Prices are high	11	10	11	13	11	10	10	11	13	13	11	18	15
Interest rates are high; credit is tight	19	13	13	15	9	10	12	10	11	14	14	16	12
Times are bad; can't afford to buy	5	7	10	7	8	8	6	4	4	4	4	5	6
Bad times ahead; uncertain future	13	7	5	4	3	4	3	3	2	3	2	3	3

Responses to the query: "Why do you say so?" following the question on Table 23.

+ : May add to more than 100% due to multiple mentions.

CHART 24C - HISTORICAL SERIES
REASONS FOR OPINIONS ABOUT BUYING CONDITIONS FOR HOUSES

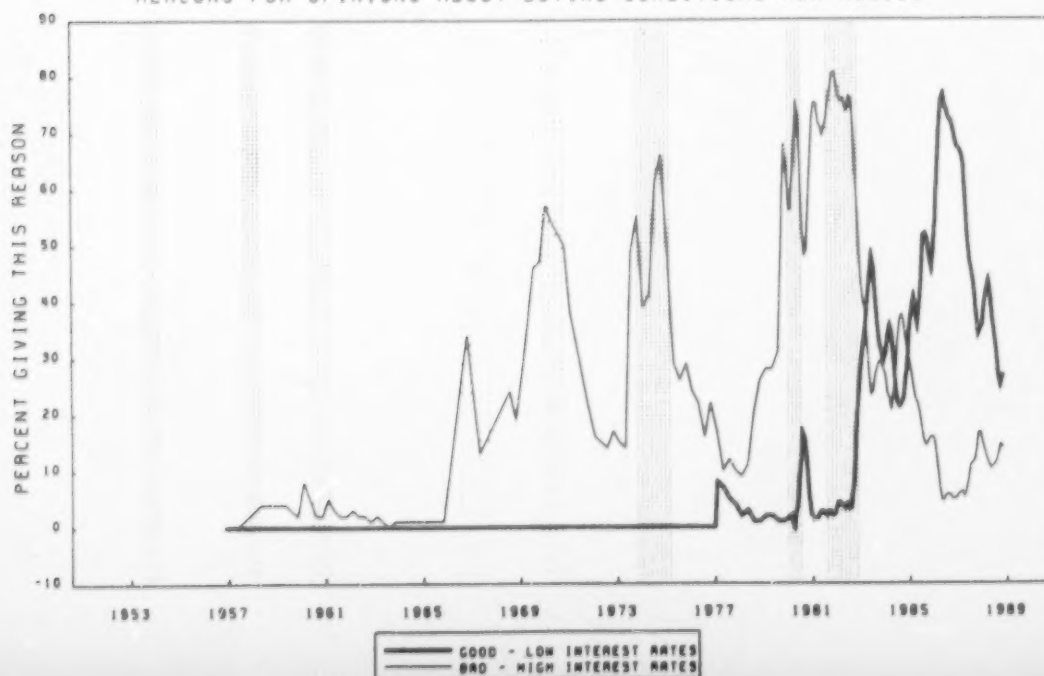


CHART 25 - RECENT CHANGES
BUYING CONDITIONS FOR CARS



CHART 25 - HISTORICAL SERIES
BUYING CONDITIONS FOR CARS

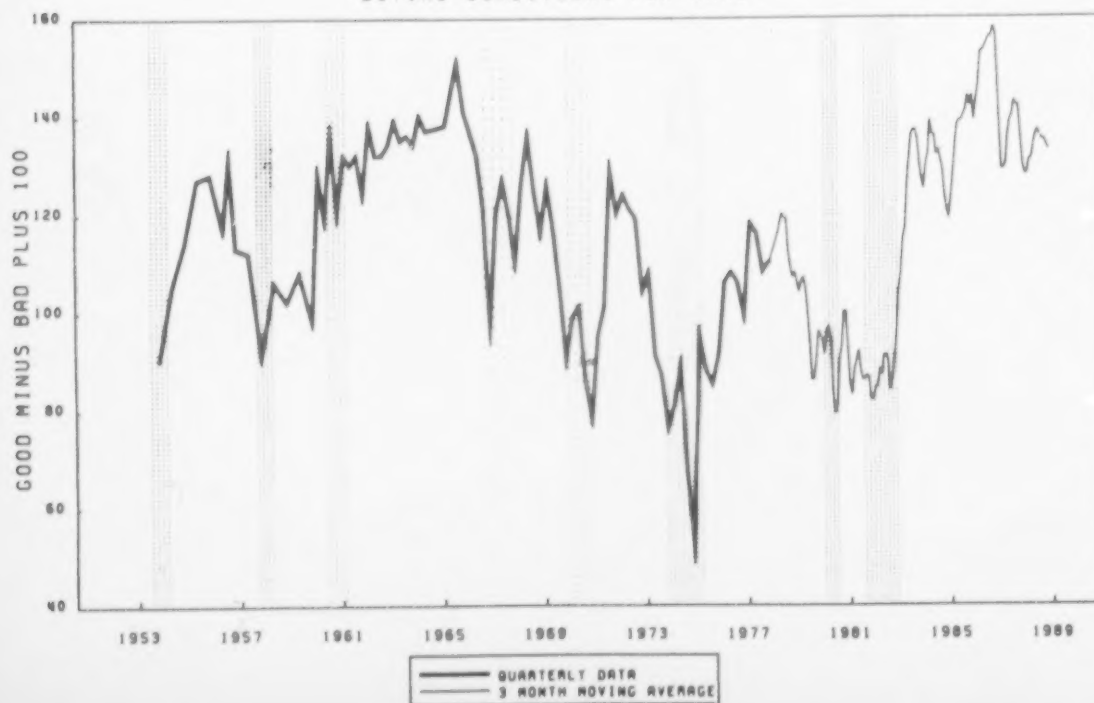


TABLE 25
BUYING CONDITIONS FOR CARS

	Nov. 1987	Dec. 1987	Jan. 1988	Feb. 1988	Mar. 1988	Apr. 1988	May 1988	June 1988	July 1988	Aug. 1988	Sept 1988	Oct. 1988	Nov. 1988
GOOD TIME TO BUY	57%	64%	59%	59%	62%	63%	64%	62%	62%	62%	61%	60%	61%
UNCERTAIN; DEPENDS	8	6	11	13	8	12	10	11	10	12	13	12	9
BAD TIME TO BUY	35	30	30	28	30	25	26	27	28	26	26	28	30
TOTAL	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%
CASES	501	500	502	500	500	504	500	500	501	500	500	501	508

The question was: "Speaking now of the automobile market--do you think the next 12 months or so will be a good time or a bad time to buy a car?"

CHART 26A - HISTORICAL SERIES
REASONS FOR OPINIONS ABOUT BUYING CONDITIONS FOR CARS

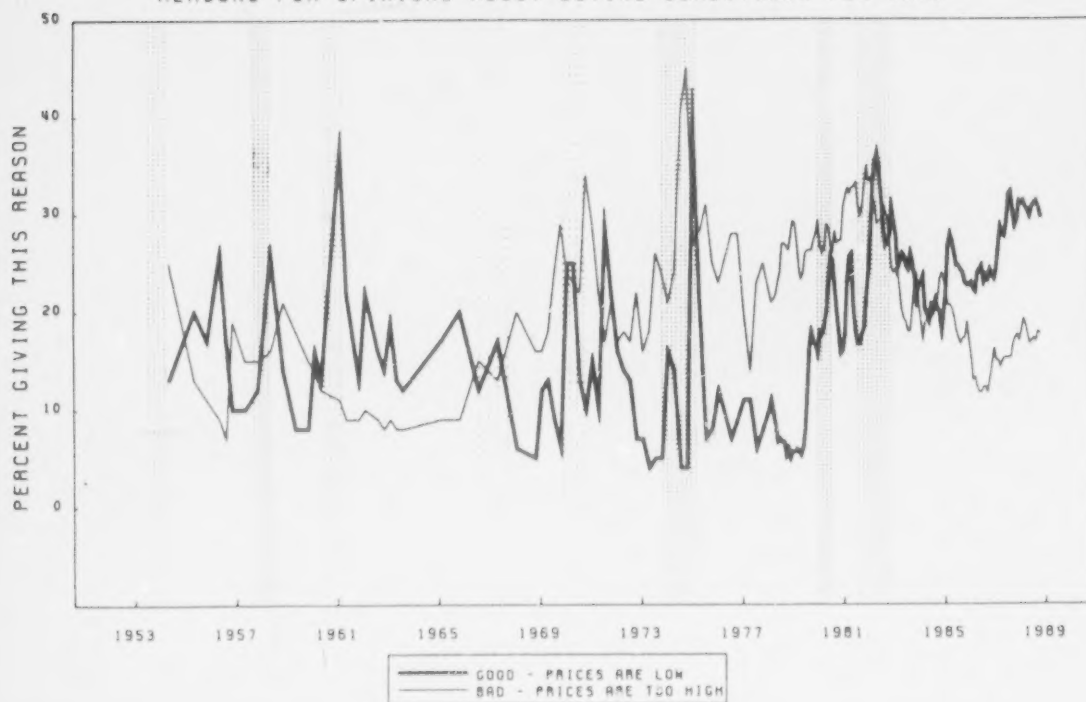


CHART 26B - HISTORICAL SERIES
REASONS FOR OPINIONS ABOUT BUYING CONDITIONS FOR CARS

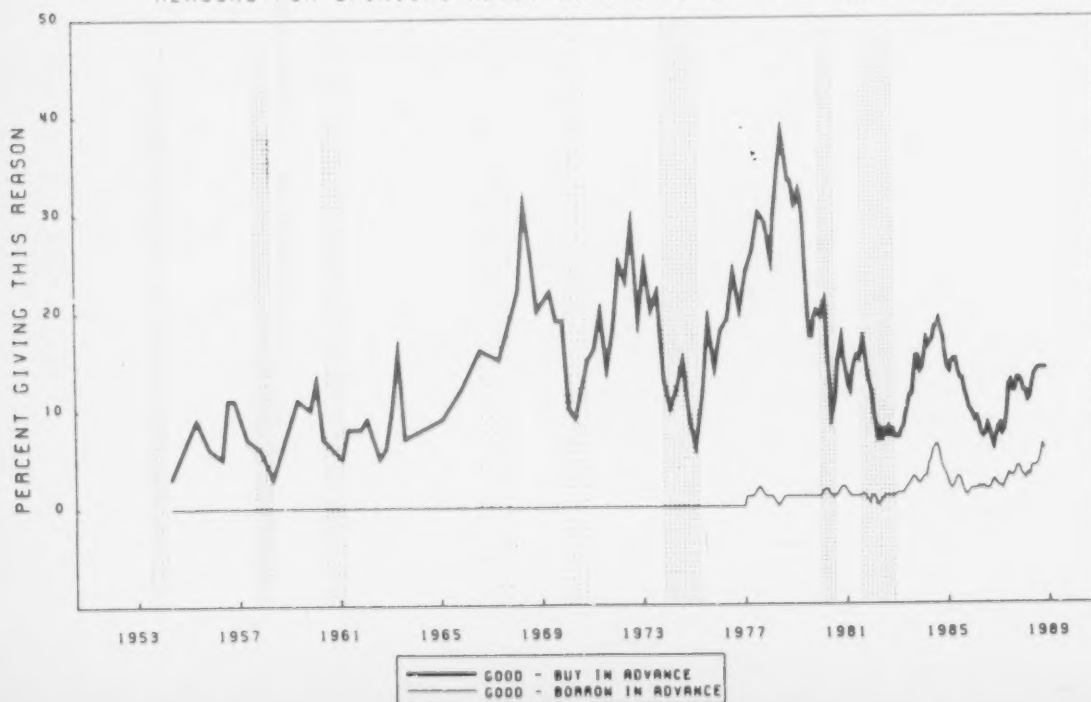


TABLE 26

SELECTED REASONS FOR OPINIONS ABOUT BUYING CONDITIONS FOR CARS +

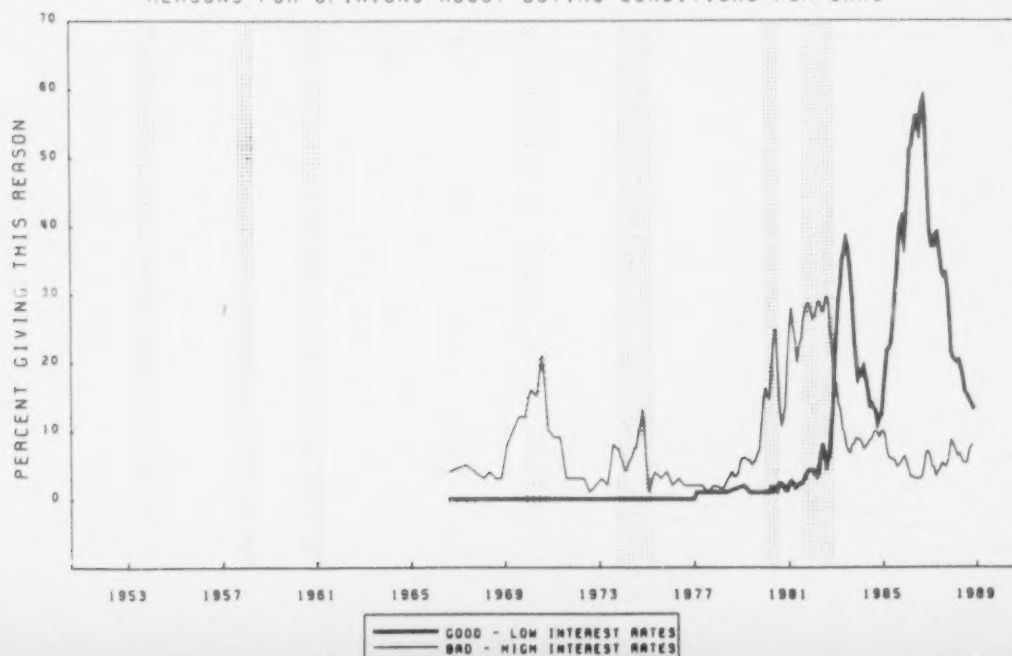
	Nov. 1987	Dec. 1987	Jan. 1988	Feb. 1988	Mar. 1988	Apr. 1988	May 1988	June 1988	July 1988	Aug. 1988	Sept. 1988	Oct. 1988	Nov. 1988
GOOD TIME TO BUY:													
Prices are low; good buys available	31%	31%	32%	30%	32%	30%	29%	30%	33%	30%	31%	31%	27%
Prices won't come down; are going higher	10	14	11	10	11	12	14	14	13	15	14	13	15
Interest rates low	21	21	20	20	20	21	17	16	14	16	14	12	14
Borrow-in-advance of rising interest rates	3	2	4	2	4	3	5	4	3	6	6	7	4
Times are good; prosperity	2	2	3	3	4	3	4	3	5	4	4	4	4
BAD TIME TO BUY:													
Prices are high	17	17	17	20	21	15	17	18	16	18	17	19	17
Interest rates are high; credit is tight	10	9	5	8	6	6	6	4	6	6	9	8	7
Times are bad; can't afford to buy	4	4	5	4	3	5	3	1	3	4	2	3	2
Bad times ahead; uncertain future	9	4	3	2	2	2	2	2	2	2	2	1	2
Poor selection; quality	2	4	4	3	3	2	2	3	3	2	3	5	3

Responses to the query: "Why do you say so?" following the question on Table 25.

+ : May add to more than 100% due to multiple mentions.

* : Less than half of one percent.

CHART 26C - HISTORICAL SERIES
REASONS FOR OPINIONS ABOUT BUYING CONDITIONS FOR CARS



EXPLANATORY CHARTS

CHART 1 - RECENT CHANGES

THE INDEX OF CONSUMER SENTIMENT

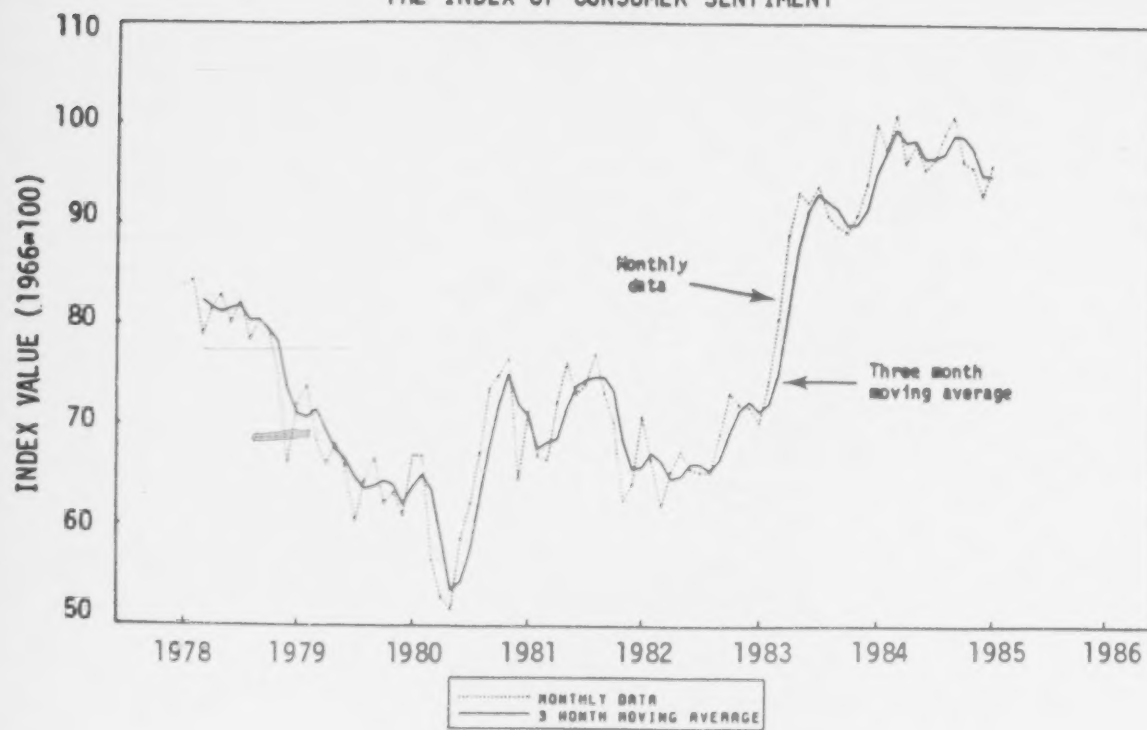
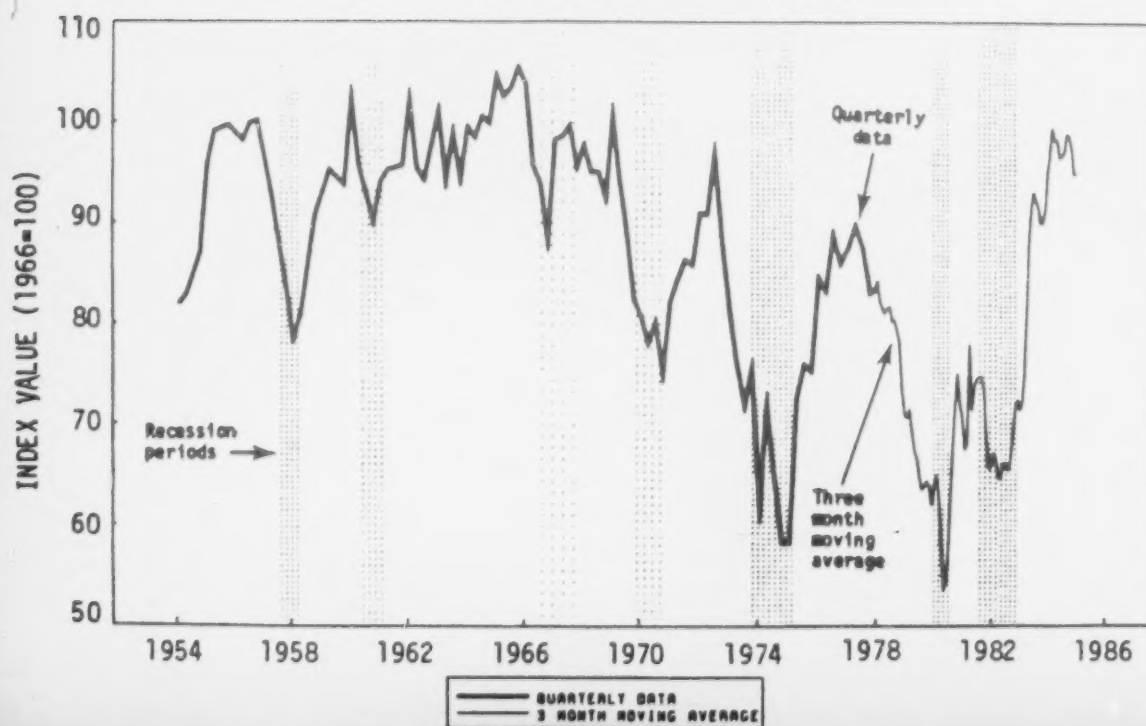


CHART 1 - HISTORICAL SERIES

THE INDEX OF CONSUMER SENTIMENT



DESCRIPTION OF CHART LINES

QUARTERLY DATA: Data collected by surveys conducted at three-month intervals before 1978.

MONTHLY DATA: Data collected by surveys conducted each month since January of 1978.

THREE-MONTH MOVING AVERAGE: Each point plotted represents the average of the three monthly observations ending at the date plotted.

TIME SCALE LABELS

Each tic mark on the time scale represents the month of January for the indicated year.

NATIONAL BUREAU OF ECONOMIC RESEARCH, REFERENCE DATES FOR RECESSIONS

DATES:	November 1948	-	October 1949
	July 1953	-	May 1954
	August 1957	-	April 1958
	April 1960	-	February 1961
	June 1966	-	November 1967*
	December 1969	-	November 1970
	November 1973	-	March 1975
	January 1980	-	July 1980
	July 1981	-	November 1982

Notes:

RECESSION PERIOD: Reduction in the national output of goods and services, generally lasting at least two quarters.

*GROWTH RECESSION: Retardation in the rate of growth of output and employment (usually followed by a recession and always the initial stage of a recession).

APPROXIMATE SAMPLING ERRORS^a OF SURVEY FINDINGS
(In percentages by size of sample or subgroup)

Reported Percentages	Number of Interviews					
	500	700	1000	1400	2000	3000
50	4.9	4.2	3.6	3.2	2.8	2.5
30 or 70	4.5	3.8	3.3	2.9	2.5	2.3
20 or 80	3.9	3.4	2.9	2.6	2.2	2.0
10 or 90	2.9	2.5	2.2	1.9	1.7	1.5
5 or 95	2.1	1.8	1.6	1.4	1.2	1.1

^aThe figures in this table represent two standard errors. Hence, for most items the chances are 95 in 100 that the value being estimated lies within a range equal to the reported percentages, plus or minus the sampling error.



Surveys of Consumers

Richard T. Curtin, *Director*



Interest Rate Concerns Reach Record Level

Third Small Monthly Decline In Index

The Index of Consumer Sentiment was 91.9 in the December 1988 survey, down from 93.0 in November. In each of the last three months of 1988 the Index fell by a small amount, declining a total of 5.4 Index-points from the 97.3 recorded in September. Despite this slowly declining trend, the Index nonetheless remained at a relatively favorable level. The December 1988 reading was higher than the December 1987 (86.8) and December 1986 (89.1) figures.

At present, rising interest rates represent the most troublesome aspect of current economic conditions for consumers. Interest rate increases have weakened attitudes toward buying conditions.

The fourth quarter declines were somewhat greater in consumers' evaluations of current economic conditions (102.0 in December, down from 109.4 in September) than in expected economic conditions (35.5 in December, down from 89.5 in September).

Among families with incomes of \$40,000 or more, the Index stood at 99.5 in December, down from 101.0 in December and the 1988 high of 105.4 in September.

The December decline was not equally shared across all regions and age groups. Residents of the Northeast and Western regions recorded declines in the December 1988 survey. In contrast,

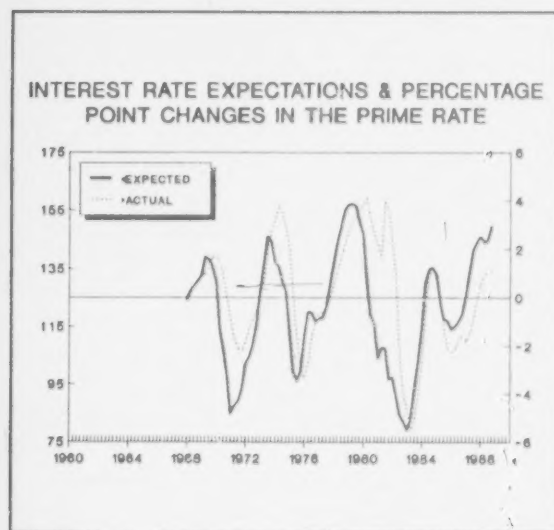
residents of the Southern region posted an improvement, while consumer confidence among respondents residing in the North Central region remained unchanged. Importantly, only householders aged 55 or older recorded declines in consumer confidence in the December 1988 survey, while those under age 55 posted a small improvement.

Interest Rate Increases Expected by Record Numbers

Interest rates were expected to increase by 74 percent of all families in the December 1988 survey, the highest proportion recorded during the past 20 years. Just 7 percent of all families expected interest rates to decline during 1989.

During the past two years, interest rates increases have been the primary concern expressed by consumers about future economic prospects. These concerns first heightened in mid 1987, but by year-end were greatly reduced in the aftermath of the stock market crash. By the Summer of 1988 these concerns again significantly intensified, as the proportion that expected increases in interest rates rose from 44 percent in February to 71 percent in August. Following this surge, interest rate expectations eased, with the proportion that expected increases falling to 62 percent in November. The December 1988 survey reversed this modest improvement, leaving interest rates increases the dominant concern of consumers.

Consumers' interest rate expectations have proved to be remarkably consistent with actual subsequent developments. The chart below shows the correspondence between consumers' interest rate expectations and actual changes in the prime rate. Since consumers are asked about the direction of the expected change in interest rates, not their expected level, the annual percentage point change in the prime rate was used as the objective measure. Both consumers' expectations and the percentage point change in the prime rate are shown as four quarter moving averages. As can be seen from the chart, the interest rate expectations series foreshadows actual changes in the prime rate to a high degree. Consumer expectations changed two quarters in advance of the actual change in the prime rate, demonstrating a time series correlation of 0.78 with this lead.



Mortgage Rate Increases Weaken Home Buying Attitudes

Favorable home buying attitudes were held by 63 percent of all families in the December 1988 survey, down from 67 percent one month earlier, and the mid 1988 high of 73 percent. Although home buying attitudes still remain at relatively

favorable levels, the December reading is substantially below the cyclical peak of 86 percent recorded in 1986. (To put this in perspective, the proportion holding favorable attitudes toward home buying conditions in December 1988 was more than four times higher than the recession low of 15 percent recorded in 1981.)

The major factor behind this growing weakness was rising mortgage interest rates. When asked to explain their view of home buying conditions, the proportion of families that mentioned the availability of low mortgage rates fell sharply, to 19 percent in December from 33 percent in November and the 1988 high of 47 percent recorded in March. Complaints about high mortgage interest rates rose to 18 percent in December from 12 percent in November and 9 percent in March. Although still relatively low, the number of families that registered complaints about high mortgage rates in December was the highest in three years.

The immediate negative impact of rising mortgage rate was partially offset by expectations that mortgage rates would increase even more in the future. The advantage of borrowing-in-advance of rising mortgage rates was cited by 21 percent of all families in December, up from 13 percent in November. Although this will help to soften the immediate impact of rising mortgage rates on home sales, it also acts to weaken future sales prospects insofar as it simply speeds up the timing of planned purchases.

Vehicle Buying Attitudes Remained Unchanged

Favorable vehicle buying attitudes were held by 61 percent of all families in the December 1988 survey, unchanged from the month earlier reading. In fact, the proportion of families holding favorable vehicle buying attitudes has remained largely unchanged throughout the last half of 1988, staying in the narrow range of 60 to 62 percent.

Although remaining at relatively positive levels, vehicle buying attitudes are now significantly lower

than at the cyclical peak recorded two years earlier. The primary reason for the decline from the prior peak has been the cutback in purchase incentives in the form of discounted interest rates offered by vehicle manufacturers. Because of this earlier decline in the availability of discounted interest rates on vehicle loans, the recent increases in interest rates have thus far only had a modest further impact on vehicle buying attitudes. References to the availability of low interest rates on vehicle loans declined from 14 percent in November to 11 percent in December, which was only half the level recorded one year earlier, and a fourth of the two year earlier reading.

Buying Conditions for Durables Viewed Favorably

Favorable attitudes toward buying conditions for furniture, appliances and home electronics declined slightly but remained at favorable levels. In the December 1988 survey, 70 percent of all families held favorable attitudes toward buying conditions for household durables, down from 73 percent in November, and 79 percent in mid 1988.

The small decline since mid year has been due to somewhat less favorable perceptions of market prices for household durables. Favorable perceptions of prices for furniture, appliances, and home electronics fell to 32 percent in December from 34 percent in July, while unfavorable price perceptions rose to 11 from 6 percent. Overall, consumers buying behavior remains highly sensitive to price discounts, with consumers willing to wait and time their purchases according to their availability.

Outlook for Economy Remains Favorable

Good times financially in the economy as a whole during 1989 were expected by 52 percent of all families in the December 1988 survey, just below the 53 percent recorded in November. Overall, consumers expected little change in the

performance of the national economy, as the majority (59 percent) thought that economic conditions in 1989 would be the same as in 1988. The balance of consumers in the December 1988 survey were evenly split as to the future path of the economy--19 percent expected improvement and 19 percent expected worsening conditions.

The major factor underpinning this positive outlook is favorable employment prospects. In the December 1988 survey, 55 percent of all families expected the national unemployment rate to remain largely unchanged during 1989 from its current ten year low.

Inflation Concerns Ease But Remain High

The annual inflation rate was expected to average 5.0% in the December 1988 survey, down from the 5.4% expected in November, but substantially above the 4.0% recorded in December of 1987. The December 1988 reading was the lowest rate recorded since June 1988, when the expected inflation rate rose to 5.6%. Nonetheless, the second half of 1988 recorded the highest inflation expectations since the start of the current expansion.

Personal Finances

Consumers' assessments of their own financial situation weakened in the closing months of 1988. Among all families in the December 1988 survey, 39 percent reported that their financial situation had improved during the past year. Although this reading was largely unchanged from the October and November surveys, it was substantially below the 49 percent recorded in September and the twenty year peak of 50 percent recorded in August. While the overall level of these personal financial evaluations remains relatively favorable, the fourth quarter 1988 level was among the least positive readings recorded during the current expansion.

When asked to explain how their financial situation

had changed during the past year, fewer families reported income increases in the December 1988 survey (35 percent) than three months earlier (40 percent), and more families reported income declines in December (17 percent) than in September (12 percent).

Despite the weakness in their current financial situation since mid 1988, families continued to assess their future financial prospects in a positive fashion. Among all families in the December 1988 survey, 39 percent expected their financial situation

to improve during 1989, between the 37 percent recorded in November and the 41 percent recorded in September, and above the 32 percent recorded in December of 1987.

* * *

The December 1988 survey included 500 completed interviews, conducted between December 1 and December 23, 1988.

SURVEYS OF CONSUMERS

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Institute for Social Research

SURVEYS OF CONSUMERS

DECEMBER 1988

The December 1988 survey was the 245th in a series of Surveys of Consumers conducted by the Survey Research Center at The University of Michigan. Initiated in 1946, these periodic surveys provide regular assessments of consumer attitudes and expectations, and are used to evaluate economic trends and prospects. The surveys are designed to explore why changes in consumer attitudes and expectations occur, and how these changes influence consumer spending and saving decisions.

All surveys are subject to sampling error because not all members of the population are interviewed. Most results for the total sample will differ by no more than 5 percentage points in either direction from what would have been obtained by using the same methods on the entire population. See the back of this book for sampling error information.

While every effort is made to accurately measure consumer attitudes and expectations, factors other than sampling may also affect the accuracy of these (and other) findings. These factors may include effects of the question wording, the ability of respondents to articulate answers and opinions, refusal to participate in the survey, and incomplete coverage of the population. There are no standard measures of these effects, but their presence should be acknowledged when using these and all other survey data. While measurement effects are present in all surveys, a noted advantage of time-series data is that the non-sampling influences remain relatively constant across samples.

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CHART 1 - RECENT CHANGES
THE INDEX OF CONSUMER SENTIMENT



CHART 1 - HISTORICAL SERIES
THE INDEX OF CONSUMER SENTIMENT

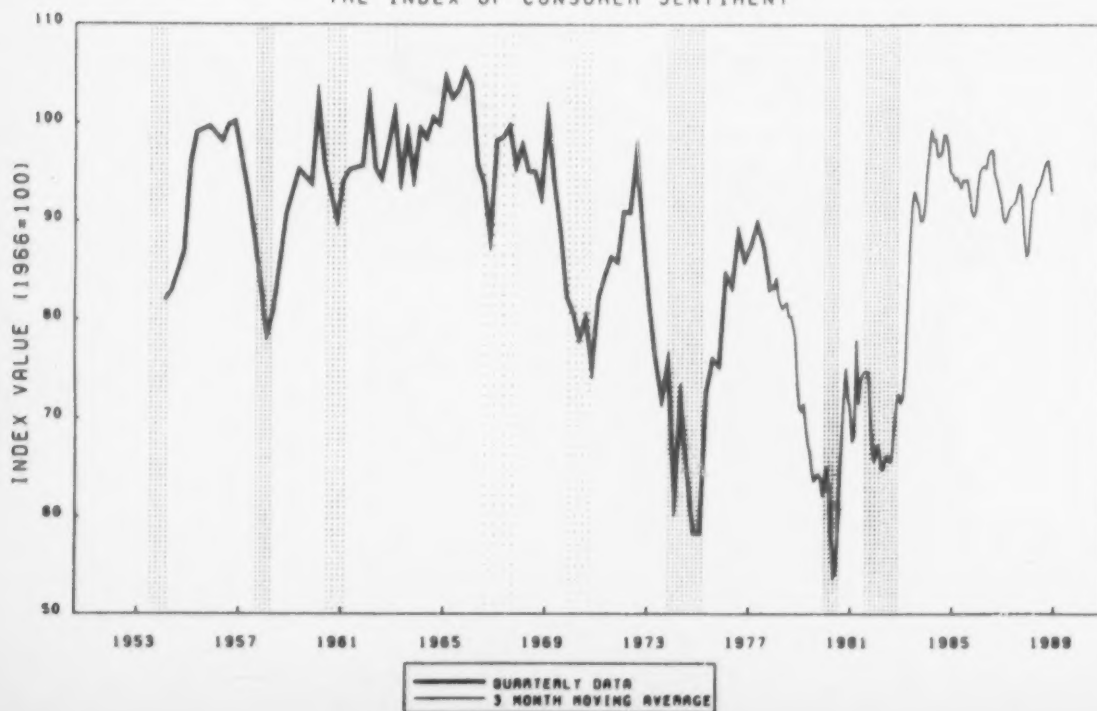


TABLE 1

THE INDEX OF CONSUMER SENTIMENT

DATE OF SURVEY	All families	Families with incomes over \$30,000	Families with incomes over \$40,000
December 1985	93.9	106.0	108.3
January 1986	95.6	109.7	110.1
February 1986	95.9	107.8	109.0
March 1986	95.1	102.9	110.2
April 1986	96.2	106.9	111.0
May 1986	94.8	105.5	109.9
June 1986	99.3	110.6	112.4
July 1986	97.7	109.6	108.5
August 1986	94.9	105.0	106.6
September 1986	91.9	99.5	102.1
October 1986	95.6	102.8	105.5
November 1986	91.4	97.5	98.7
December 1986	89.1	98.7	98.3
January 1987	90.4	101.2	104.0
February 1987	90.2	103.6	103.6
March 1987	90.8	97.8	96.1
April 1987	92.8	98.5	103.1
May 1987	91.1	97.7	99.2
June 1987	91.5	102.9	102.9
July 1987	93.7	102.5	104.0
August 1987	94.4	104.4	109.1
September 1987	93.6	100.6	104.3
October 1987	89.3	99.9	101.8
November 1987	83.1	87.7	90.5
December 1987	86.8	94.5	96.1
January 1988	90.8	99.0	99.9
February 1988	91.6	98.1	100.8
March 1988	94.6	103.7	104.6
April 1988	91.2	99.1	99.6
May 1988	94.8	106.6	108.3
June 1988	94.7	102.3	102.7
July 1988	93.4	100.5	103.9
August 1988	97.4	105.1	104.2
September 1988	97.3	102.8	105.4
October 1988	94.1	103.0	103.7
November 1988	93.0	102.0	101.0
December 1988	91.9	97.0	99.5

CHART 2A - HISTORICAL SERIES
INDEX OF CONSUMER SENTIMENT WITHIN REGION SUBGROUPS

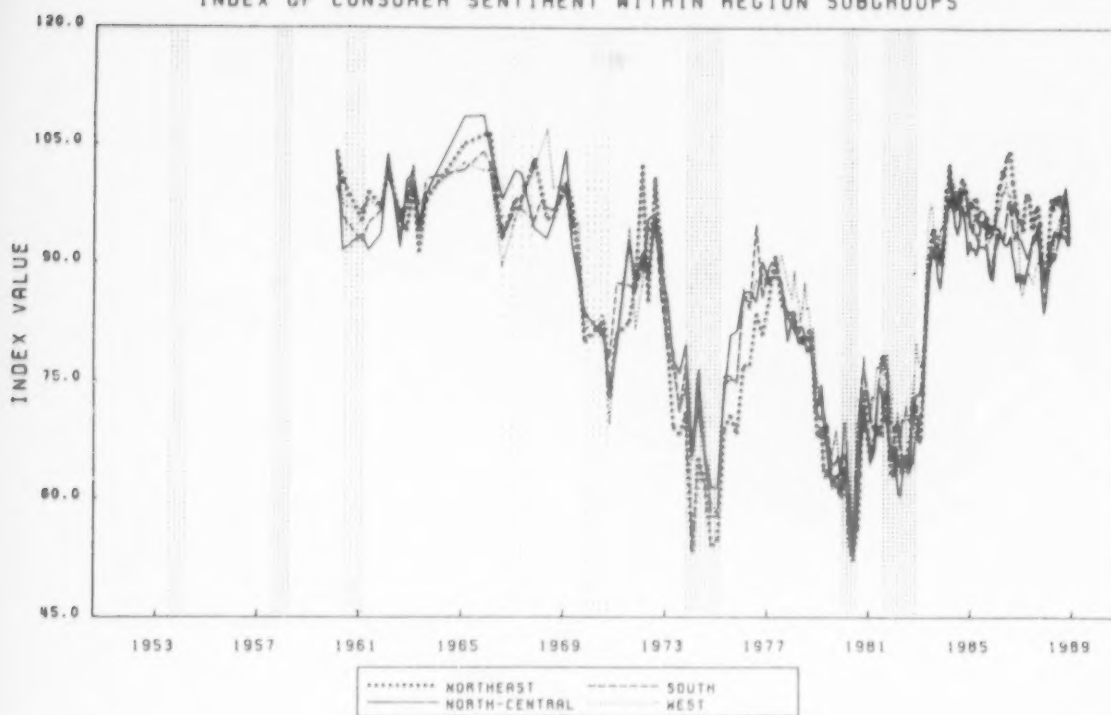


CHART 2B - HISTORICAL SERIES
INDEX OF CONSUMER SENTIMENT WITHIN AGE SUBGROUPS

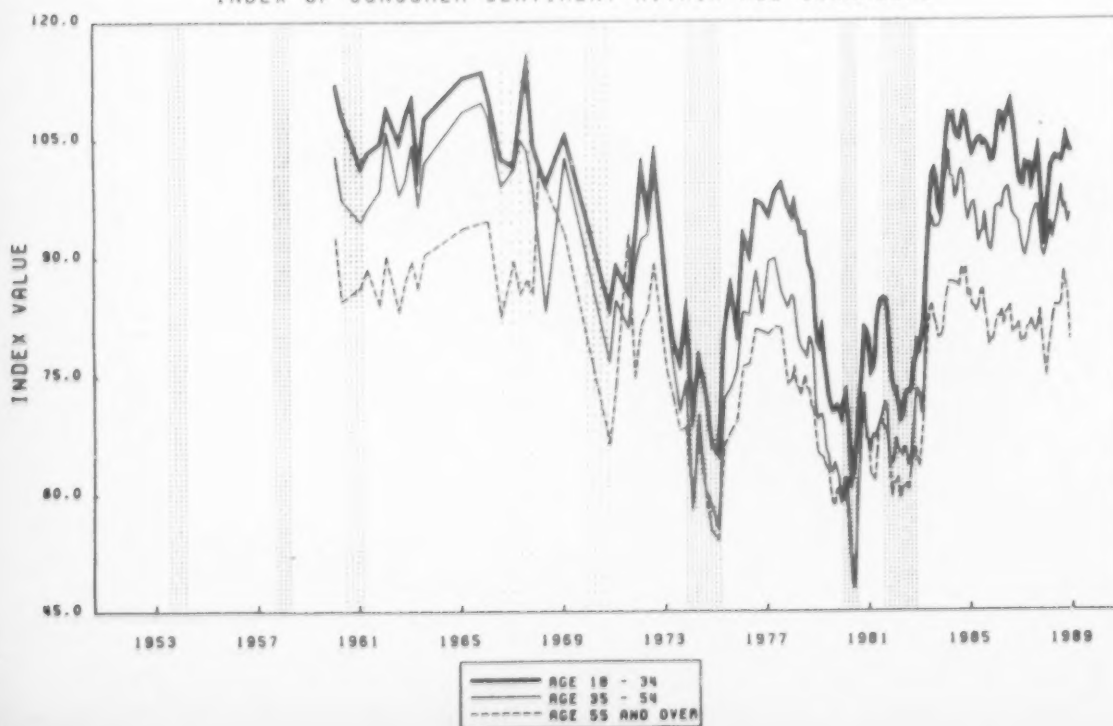


TABLE 2

INDEX OF CONSUMER SENTIMENT WITHIN REGION AND AGE SUBGROUPS

DATE OF SURVEY	CENSUS REGION				AGE OF RESPONDENT		
	North East	North Central	South	West	18-34	35-54	55+
December 1985	98.2	90.8	92.0	98.1	103.8	95.3	82.6
January 1986	96.7	93.9	98.2	93.7	105.5	99.4	80.8
February 1986	103.4	92.7	93.2	98.0	109.7	94.1	83.8
March 1986	99.1	94.9	91.3	98.9	109.1	96.0	82.0
April 1986	102.7	92.3	94.4	99.5	104.8	97.8	83.6
May 1986	101.2	90.1	93.5	98.8	104.9	99.9	78.3
June 1986	106.2	94.1	98.5	102.7	112.7	97.9	86.6
July 1986	103.9	93.4	101.7	94.7	108.2	98.6	84.5
August 1986	102.5	92.6	90.5	98.2	107.9	95.2	80.1
September 1986	94.6	87.0	91.9	95.8	106.3	92.4	76.1
October 1986	99.1	90.0	96.5	99.3	102.5	97.3	85.7
November 1986	95.8	85.6	93.2	92.3	99.5	94.2	80.4
December 1986	91.8	90.4	89.5	84.0	98.0	91.3	78.3
January 1987	98.1	85.9	96.0	83.9	99.9	91.2	78.4
February 1987	92.4	89.5	90.7	89.2	99.1	89.2	81.5
March 1987	104.6	86.3	87.5	91.2	106.4	89.3	77.7
April 1987	99.4	91.7	93.7	87.2	99.0	95.1	83.5
May 1987	91.3	92.9	92.1	87.1	99.5	92.8	82.1
June 1987	92.5	92.2	91.5	89.7	99.0	95.5	80.0
July 1987	100.1	95.7	93.8	85.2	103.0	97.8	80.2
August 1987	99.0	91.0	95.2	93.2	103.3	95.8	80.8
September 1987	92.2	94.7	94.9	91.5	104.1	95.4	82.6
October 1987	93.8	87.2	88.3	89.1	92.0	89.9	86.2
November 1987	83.9	79.6	87.9	79.4	91.7	86.6	70.8
December 1987	83.4	83.6	90.4	89.2	94.1	92.9	73.6
January 1988	99.8	91.3	87.6	88.5	98.3	93.6	80.1
February 1988	93.7	92.1	92.8	86.3	102.5	90.3	79.9
March 1988	101.2	92.9	91.6	95.3	103.5	98.9	80.0
April 1988	94.9	93.9	88.6	89.0	100.0	87.5	86.6
May 1988	99.1	95.5	91.1	97.3	104.2	95.4	84.7
June 1988	98.1	91.2	95.9	95.2	103.1	102.0	79.5
July 1988	98.3	92.0	91.8	94.0	99.6	93.0	86.6
August 1988	95.7	100.9	94.4	98.5	103.6	101.7	86.3
September 1988	95.2	101.9	93.3	97.6	106.1	93.3	91.4
October 1988	91.8	96.1	92.9	96.6	105.8	94.6	82.0
November 1988	95.8	90.6	90.5	98.9	100.4	94.3	82.2
December 1988	90.8	90.2	96.1	88.0	103.7	97.1	73.9

CHART 3 - RECENT CHANGES
CURRENT AND EXPECTED COMPONENTS



CHART 3 - HISTORICAL SERIES
CURRENT AND EXPECTED COMPONENTS



TABLE 3
COMPONENTS OF THE INDEX OF CONSUMER SENTIMENT

DATE OF SURVEY		INDEX COMPONENTS +						
		Personal finances		Business conditions		Buying conds.	Current Index	Expected Index
		Current	Expected	12 months	5 years			
		(1)	(2)	(3)	(4)	(5)	(1,5)	(2,3,4)
December	1985	120	124	127	103	147	103.1	88.1
January	1986	122	123	126	93	168	111.8	85.3
February	1986	117	123	132	98	164	108.4	87.8
March	1986	120	124	129	96	160	107.9	86.9
April	1986	120	128	133	94	160	108.1	88.5
May	1986	117	129	131	92	158	106.2	87.5
June	1986	124	127	136	100	170	113.3	90.3
July	1986	126	130	131	94	165	112.1	88.5
August	1986	121	128	123	94	161	108.9	85.9
September	1986	120	127	115	84	161	108.3	81.3
October	1986	120	127	124	99	162	108.9	87.1
November	1986	121	121	120	87	155	106.7	81.6
December	1986	116	127	104	83	158	105.8	78.3
January	1987	120	130	117	77	152	105.1	80.9
February	1987	115	126	117	84	153	103.7	81.6
March	1987	114	122	121	92	152	102.5	83.3
April	1987	116	127	116	97	158	105.5	84.7
May	1987	117	121	114	89	161	107.4	80.6
June	1987	120	122	113	89	161	108.1	80.8
July	1987	123	123	118	94	162	109.9	83.3
August	1987	122	127	125	93	157	107.8	85.8
September	1987	119	124	122	92	162	108.3	84.2
October	1987	118	128	105	90	149	103.1	80.4
November	1987	115	118	93	80	142	99.3	72.7
December	1987	119	120	98	89	147	102.7	76.7
January	1988	122	131	110	84	154	106.2	80.9
February	1988	122	130	108	90	155	106.6	81.9
March	1988	127	133	114	96	156	109.1	85.2
April	1988	117	125	117	89	154	104.8	82.4
May	1988	111	127	125	98	165	106.5	87.3
June	1988	119	129	121	95	163	108.6	85.7
July	1988	120	128	106	96	167	110.7	82.3
August	1988	127	127	125	105	160	110.8	88.8
September	1988	127	133	125	102	157	109.4	89.5
October	1988	114	124	129	97	158	105.0	87.0
November	1988	112	128	122	97	156	103.3	86.3
December	1988	114	127	119	98	150	102.0	85.5

(1) See Table 4.

(2) See Table 6.

(3) See Table 15.

(4) See Table 16.

(5) See Table 21.

+ : Percent saying "GOOD TIMES" (or "BETTER"), minus percent saying "BAD TIMES" (or "WORSE"), plus 100.

CHART 4 - RECENT CHANGES
CURRENT FINANCIAL SITUATION COMPARED WITH A YEAR AGO



CHART 4 - HISTORICAL SERIES
CURRENT FINANCIAL SITUATION COMPARED WITH A YEAR AGO

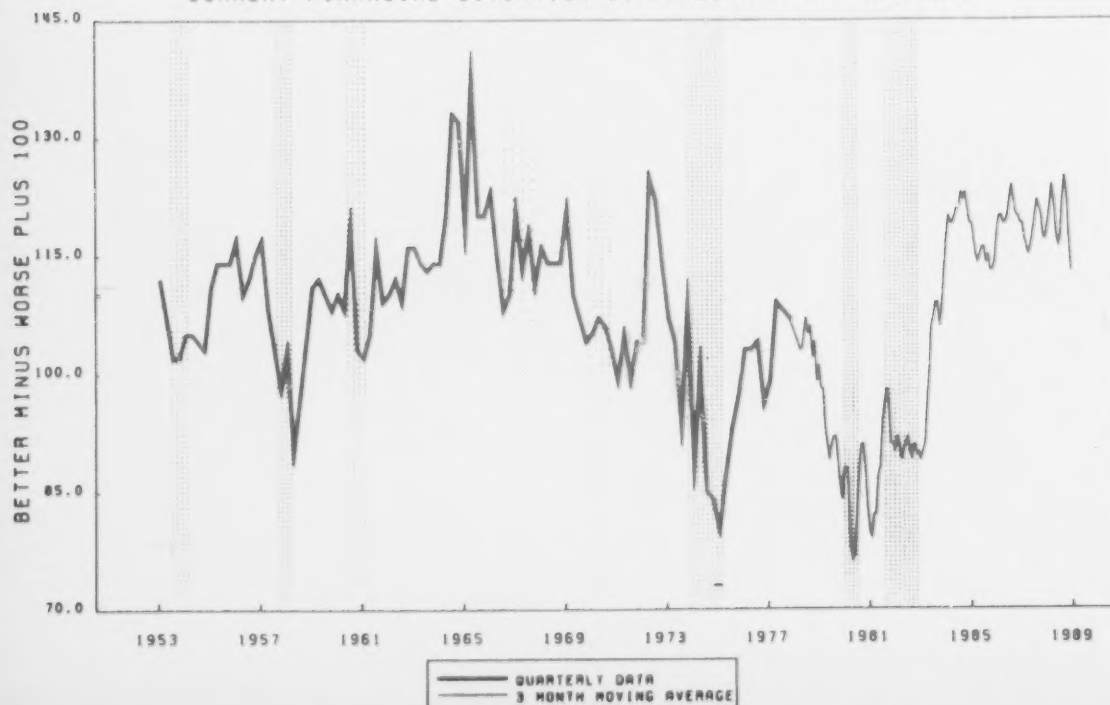


TABLE 4

CURRENT FINANCIAL SITUATION COMPARED TO A YEAR AGO

	Dec. 1987	Jan. 1988	Feb. 1988	Mar. 1988	Apr. 1988	May 1988	June 1988	July 1988	Aug. 1988	Sept 1988	Oct. 1988	Nov. 1988	Dec. 1988
BETTER OFF	43%	46%	47%	49%	41%	40%	43%	45%	50%	49%	42%	41%	39%
SAME	33	29	27	29	34	31	32	29	26	28	30	30	36
WORSE OFF	24	24	25	22	24	29	24	25	23	22	28	29	25
DK,NA	*	1	1	*	1	*	1	1	1	1	*	*	*
TOTAL	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%
CASES	500	502	500	500	504	500	500	501	500	500	501	508	500

The question was: "We are interested in how people are getting along financially these days. Would you say that you (and your family living there) are better off or worse off financially than you were a year ago?"

* : Less than half of one percent.

CHART 5A - HISTORICAL SERIES
REASONS FOR OPINIONS ABOUT PERSONAL FINANCIAL SITUATION

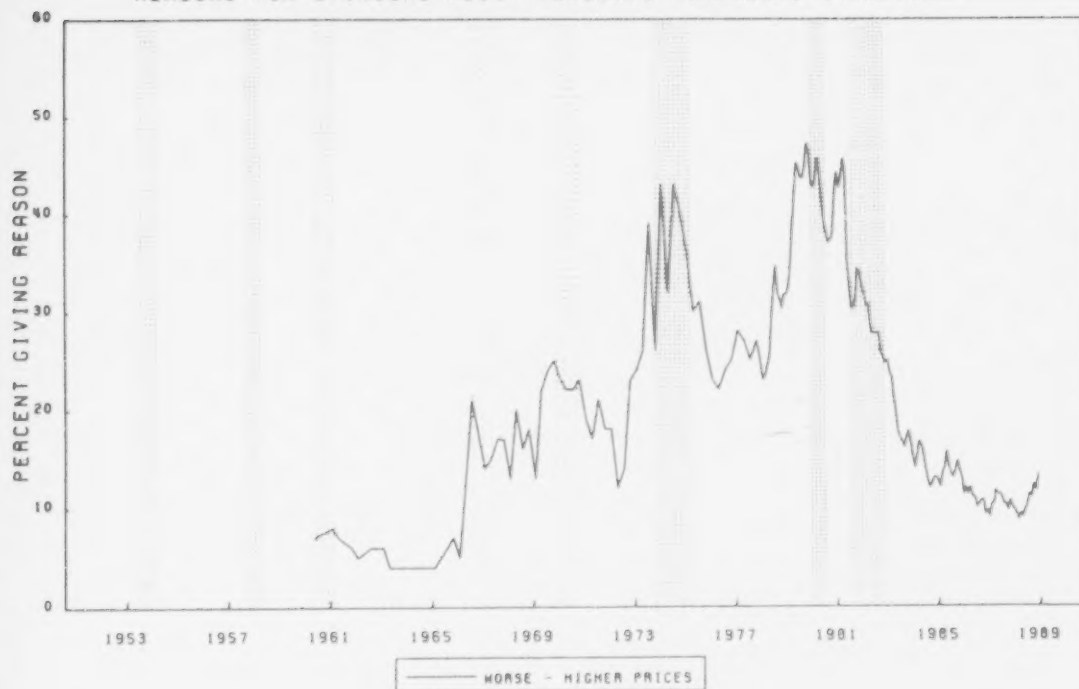


CHART 5B - HISTORICAL SERIES
REASONS FOR OPINIONS ABOUT PERSONAL FINANCIAL SITUATION

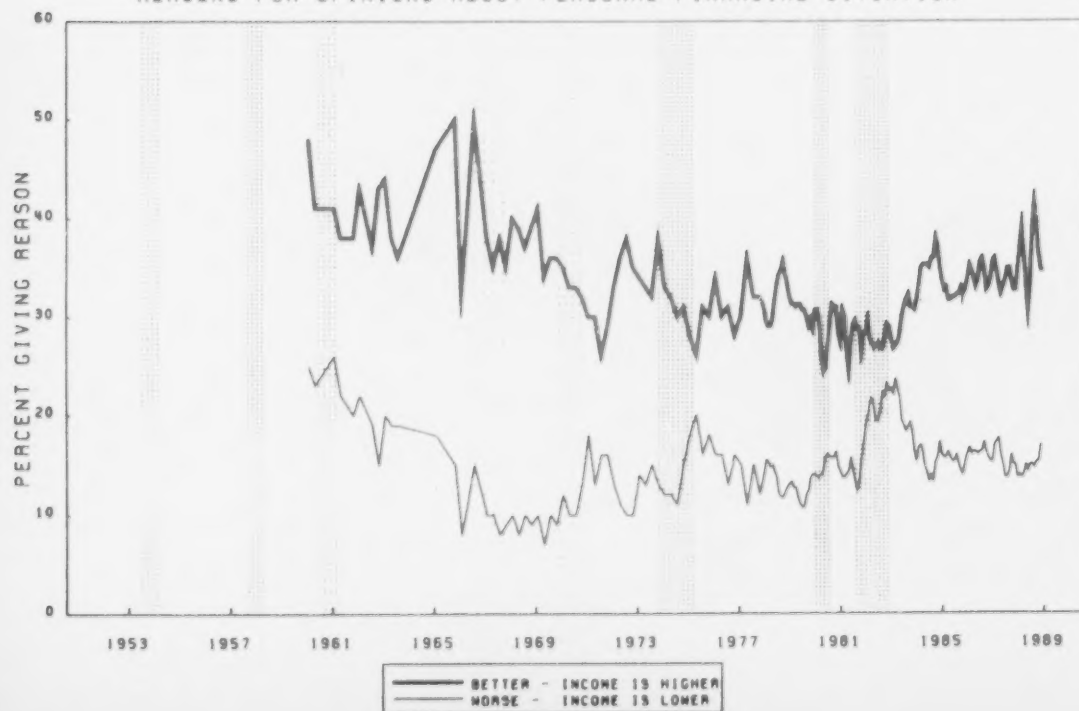


TABLE 5

SELECTED REASONS FOR OPINIONS ABOUT PERSONAL FINANCIAL SITUATION +

	Dec. 1987	Jan. 1988	Feb. 1988	Mar. 1988	Apr. 1988	May 1988	June 1988	July 1988	Aug. 1988	Sept 1988	Oct. 1988	Nov. 1988	Dec. 1988
BETTER OFF THAN YEAR AGO:													
Income is higher	33%	39%	39%	40%	30%	29%	32%	40%	45%	40%	34%	35%	35%
WORSE OFF THAN YEAR AGO:													
Income is lower	16	13	13	15	14	16	13	16	16	12	18	16	17
Higher prices	10	7	11	8	9	10	10	11	13	9	15	11	14

Responses to the query: "Why do you say so?" following the question on Table 4.

+ : May add to more than 100% due to multiple mentions.

CHART 6 - RECENT CHANGES
EXPECTED CHANGE IN FINANCIAL SITUATION

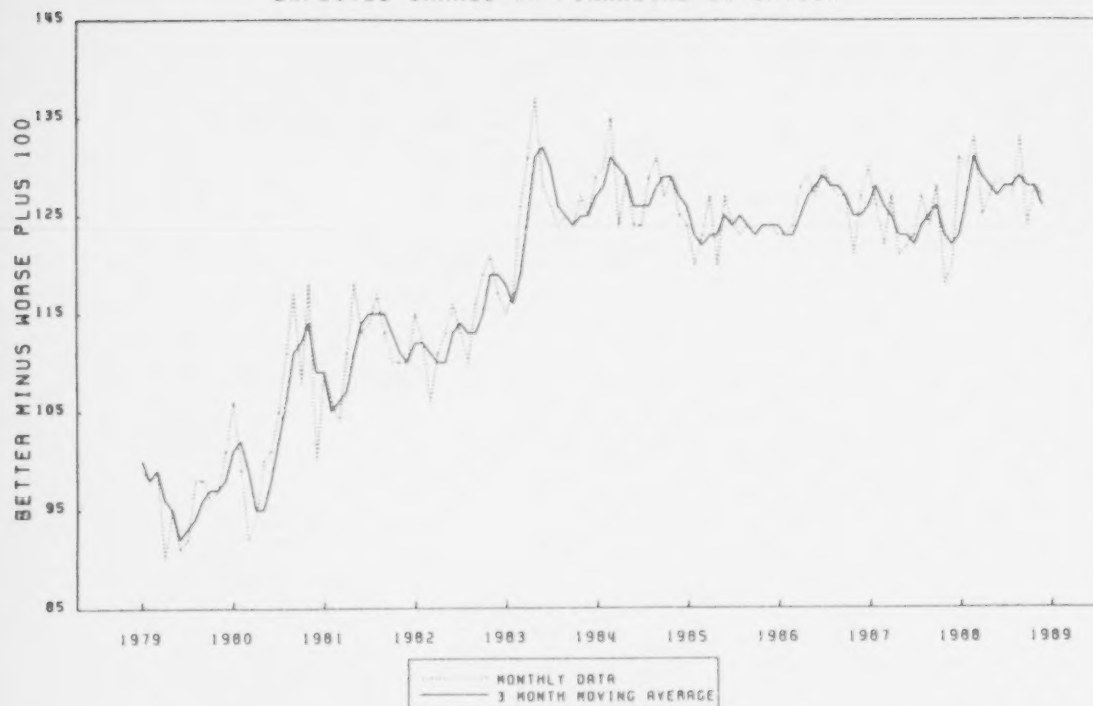


CHART 6 - HISTORICAL SERIES
EXPECTED CHANGE IN FINANCIAL SITUATION

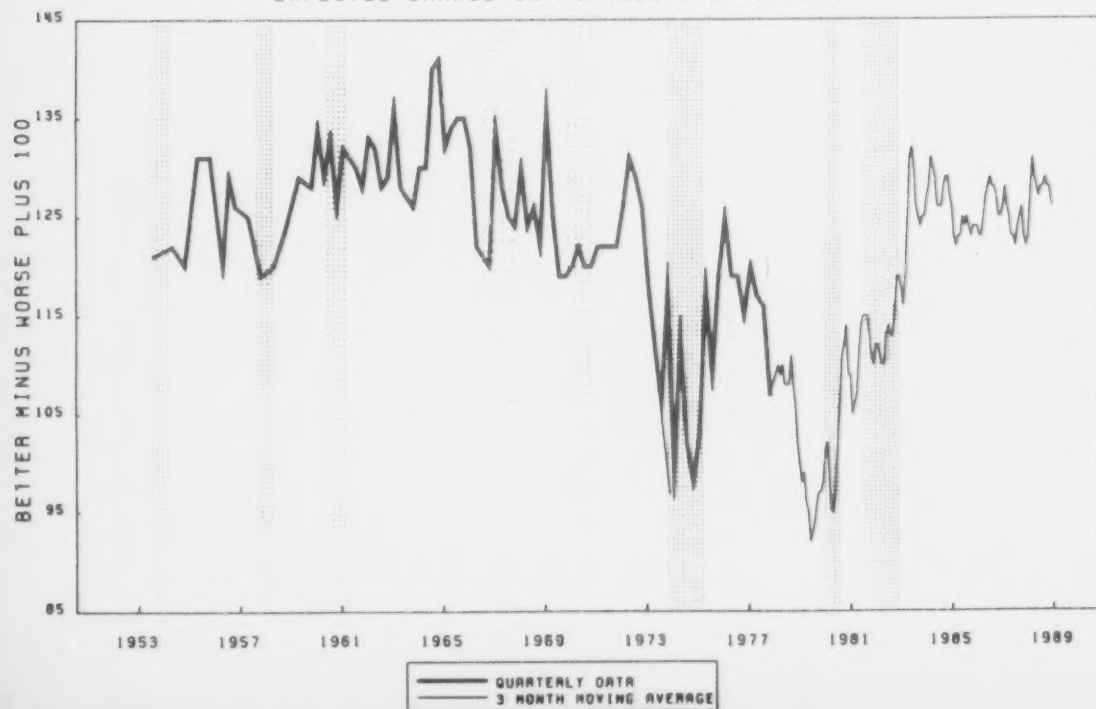


TABLE 6
EXPECTED CHANGE IN FINANCIAL SITUATION

	Dec. 1987	Jan. 1988	Feb. 1988	Mar. 1988	Apr. 1988	May 1988	June 1988	July 1988	Aug. 1988	Sept 1988	Oct. 1988	Nov. 1988	Dec. 1988
BETTER OFF	32%	38%	39%	39%	34%	36%	39%	38%	36%	41%	36%	37%	39%
SAME	51	53	48	52	54	52	48	48	49	47	48	49	46
WORSE OFF	12	7	9	6	9	9	10	10	9	8	12	9	12
DK,NA	5	2	4	3	3	3	3	4	6	4	4	5	3
TOTAL	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%
CASES	500	502	500	500	504	500	500	501	500	500	501	508	500

The question was: "Now looking ahead--do you think that a year from now you (and your family living there) will be better off financially, or worse off, or just about the same as now?"

CHART 7 - RECENT CHANGES
TREND IN PERSONAL FINANCIAL SITUATION



CHART 7 - HISTORICAL SERIES
TREND IN PERSONAL FINANCIAL SITUATION



TABLE 7
TREND IN PERSONAL FINANCIAL SITUATION

	Dec. 1987	Jan. 1988	Feb. 1988	Mar. 1988	Apr. 1988	May 1988	June 1988	July 1988	Aug. 1988	Sept 1988	Oct. 1988	Nov. 1988	Dec. 1988
PERSONAL FINANCIAL PROGRESS:													
Continuous increase (a)	17%	21%	20%	25%	18%	19%	24%	19%	25%	25%	20%	21%	22%
Intermittant increase (b)	27	31	31	30	30	24	25	31	26	28	25	25	23
Remain unchanged (c)	19	19	15	17	20	21	19	16	16	17	18	18	20
Intermittant decline (d)	17	13	13	13	16	17	16	13	14	10	15	16	16
Continuous decline (e)	2	3	3	3	3	4	4	4	4	3	6	4	4
Mixed change (f)	13	11	13	9	9	13	9	13	8	12	11	11	11
DK,NA	5	2	5	3	4	2	3	4	7	5	5	5	4
TOTAL	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%
CASES	500	502	500	500	504	500	500	501	500	500	501	508	500

Combination of the responses to the questions on Tables 4 and 6.

Key: (a) Better off financially than a year ago/Better off a year from now
 (b) Better/Same or Same/Better
 (c) Same/Same
 (d) Worse/Same or Same/Worse
 (e) Worse/Worse
 (f) Worse/Better or Better/Worse

CHART 8 - RECENT CHANGES
 MEDIAN EXPECTED CHANGE IN FAMILY INCOME



CHART 8 - HISTORICAL SERIES
 MEDIAN EXPECTED CHANGE IN FAMILY INCOME



TABLE 8
EXPECTED FAMILY INCOME CHANGE DURING THE NEXT 12 MONTHS

	Dec. 1987	Jan. 1988	Feb. 1988	Mar. 1988	Apr. 1988	May 1988	June 1988	July 1988	Aug. 1988	Sept 1988	Oct. 1988	Nov. 1988	Dec. 1988
EXPECT INCREASE:													
1-4%	19%	18%	16%	16%	16%	15%	15%	18%	14%	16%	16%	18%	21%
5%	10	12	15	11	9	12	9	10	14	10	12	11	11
6-9%	8	7	8	7	6	7	7	10	9	8	6	9	7
10-24%	14	15	17	17	14	13	15	14	17	16	15	15	15
25% or more	4	6	5	7	6	9	6	7	5	8	6	7	6
DK how much up	3	4	2	2	6	2	5	5	6	6	5	7	4
EXPECT SAME	23	27	23	29	30	28	28	24	25	25	27	20	22
EXPECT DOWN	19	10	12	9	12	13	13	11	9	10	12	11	13
DK,NA	*	1	2	2	1	1	2	1	1	1	1	2	1
TOTAL	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%
CASES	500	502	500	500	504	500	500	501	500	500	501	508	500

The questions were: "During the next 12 months, do you expect your (family) income to be higher or lower than during the past year?" and "By about what percent do you expect your (family) income to increase during the next 12 months?"

* : Less than half of one percent.

CHART 9 - RECENT CHANGES
INCOME OR PRICES UP MORE NEXT YEAR



CHART 9 - HISTORICAL SERIES
INCOME OR PRICES UP MORE NEXT YEAR

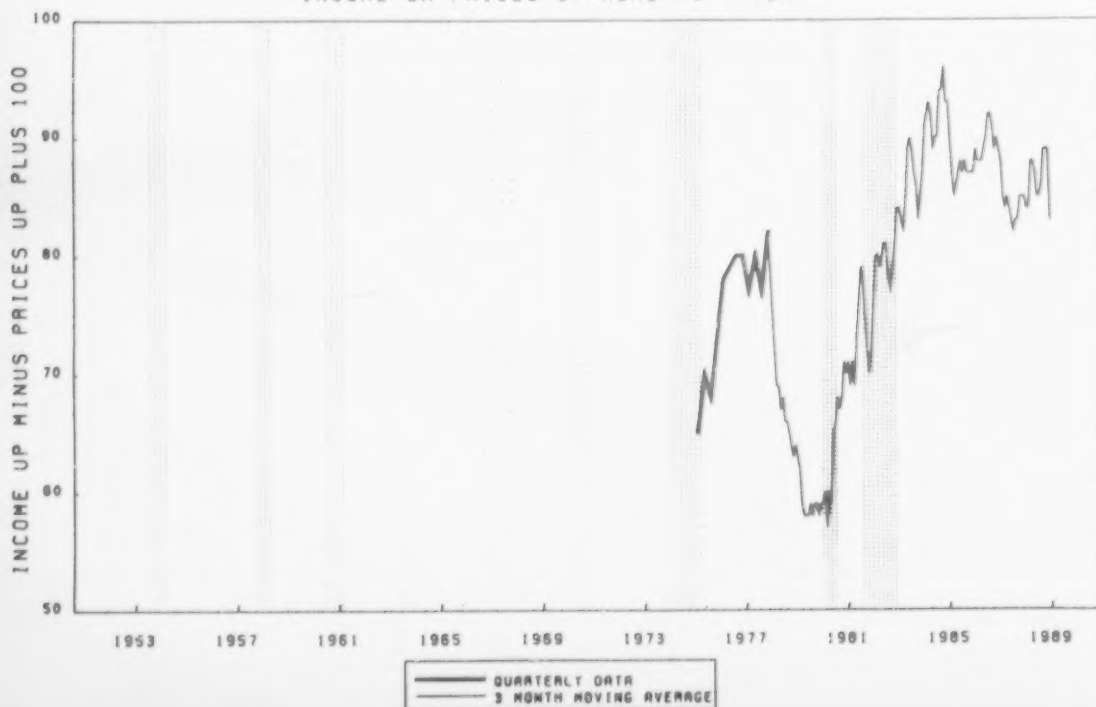


TABLE 9

EXPECTED CHANGE IN REAL FAMILY INCOME

	Dec. 1987	Jan. 1988	Feb. 1988	Mar. 1988	Apr. 1988	May 1988	June 1988	July 1988	Aug. 1988	Sept 1988	Oct. 1988	Nov. 1988	Dec. 1988
INCOME UP MORE	19%	19%	20%	22%	19%	19%	18%	19%	20%	25%	18%	21%	17%
INCOME UP SAME	41	44	45	44	47	44	46	46	43	41	46	43	41
PRICES UP MORE	38	35	32	31	33	34	33	34	32	31	34	33	40
DK,NA	2	2	3	3	1	3	3	1	5	3	2	3	2
TOTAL	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%
CASES	500	502	500	500	504	500	500	501	500	500	501	508	500

The question was: "How about the next year or two--do you expect that your (family) income will go up more than prices will go up, about the same, or less than prices will go up?"

CHART 10 - RECENT CHANGES
NEWS HEARD OF RECENT CHANGES IN BUSINESS CONDITIONS

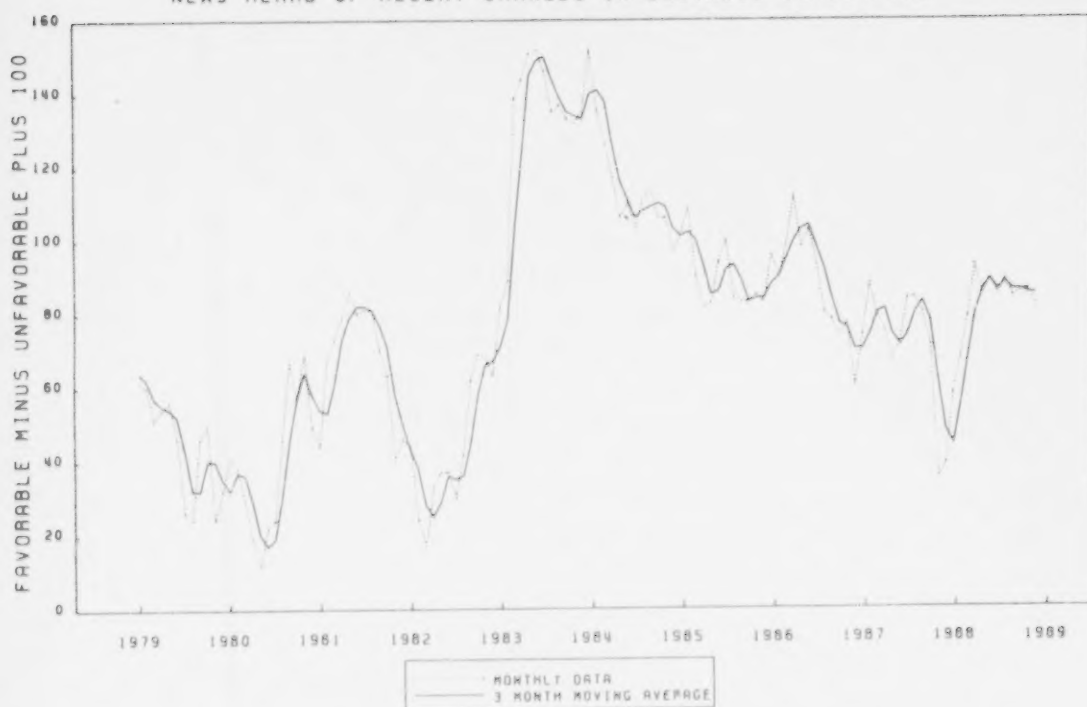


CHART 10 - HISTORICAL SERIES
NEWS HEARD OF RECENT CHANGES IN BUSINESS CONDITIONS

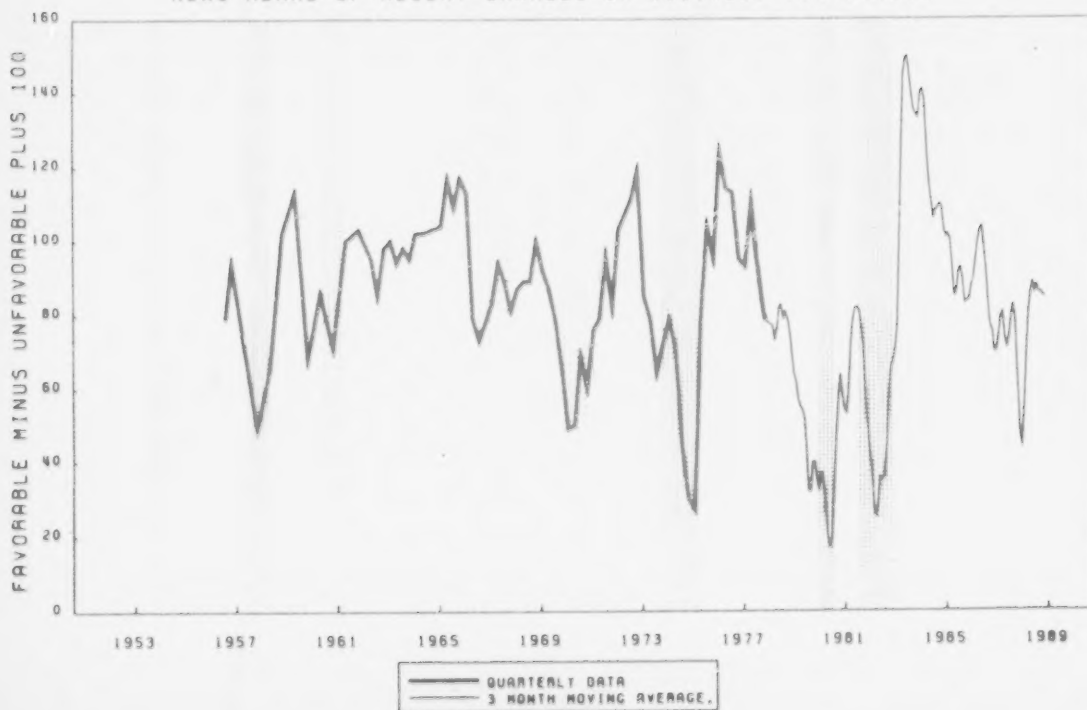


TABLE 10
NEWS HEARD OF RECENT CHANGES IN BUSINESS CONDITIONS +

	Dec. 1987	Jan. 1988	Feb. 1988	Mar. 1988	Apr. 1988	May 1988	June 1988	July 1988	Aug. 1988	Sept 1988	Oct. 1988	Nov. 1988	Dec. 1988
FAVORABLE NEWS	18%	23%	26%	29%	30%	33%	29%	29%	28%	32%	29%	25%	30%
UNFAVORABLE NEWS	79	65	58	50	37	48	40	44	39	48	43	39	48
NO MENTIONS	36	41	42	45	51	44	50	50	53	46	52	54	50

The questions were: "During the last few months, have you heard of any favorable or unfavorable changes in business conditions?" and "What did you hear?"

+ : May add to more than 100% due to multiple mentions.

CHART 11A - HISTORICAL SERIES
TYPE OF NEWS HEARD ABOUT CHANGES IN BUSINESS CONDITIONS

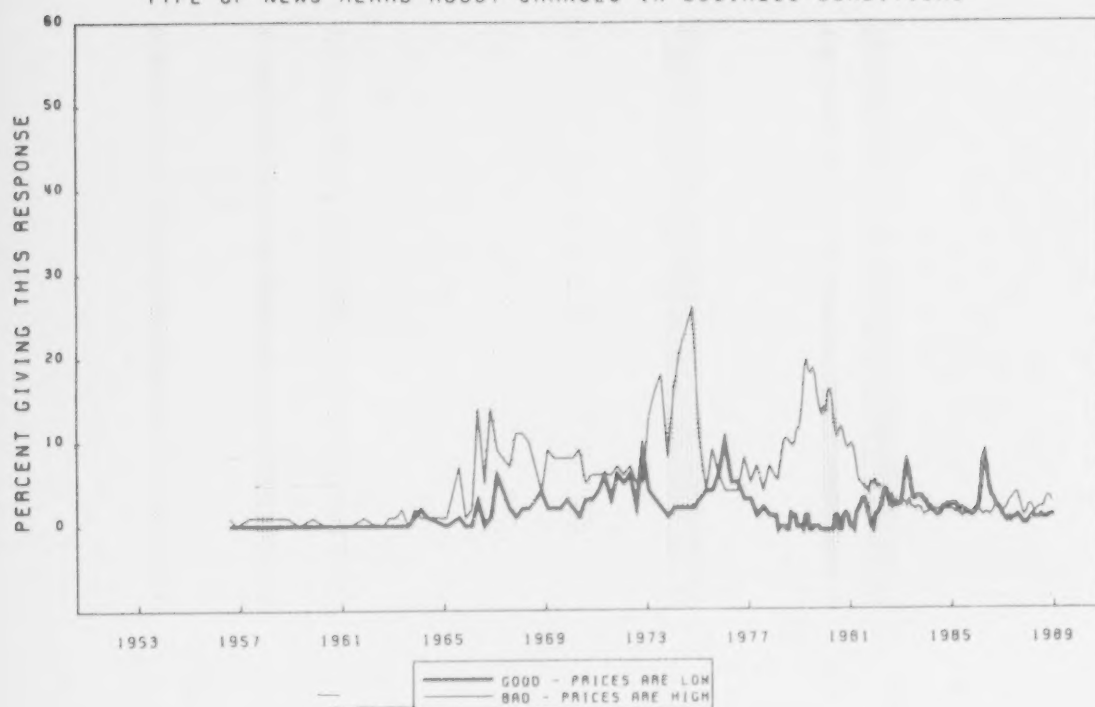


CHART 11B - HISTORICAL SERIES
TYPE OF NEWS HEARD ABOUT CHANGES IN BUSINESS CONDITIONS

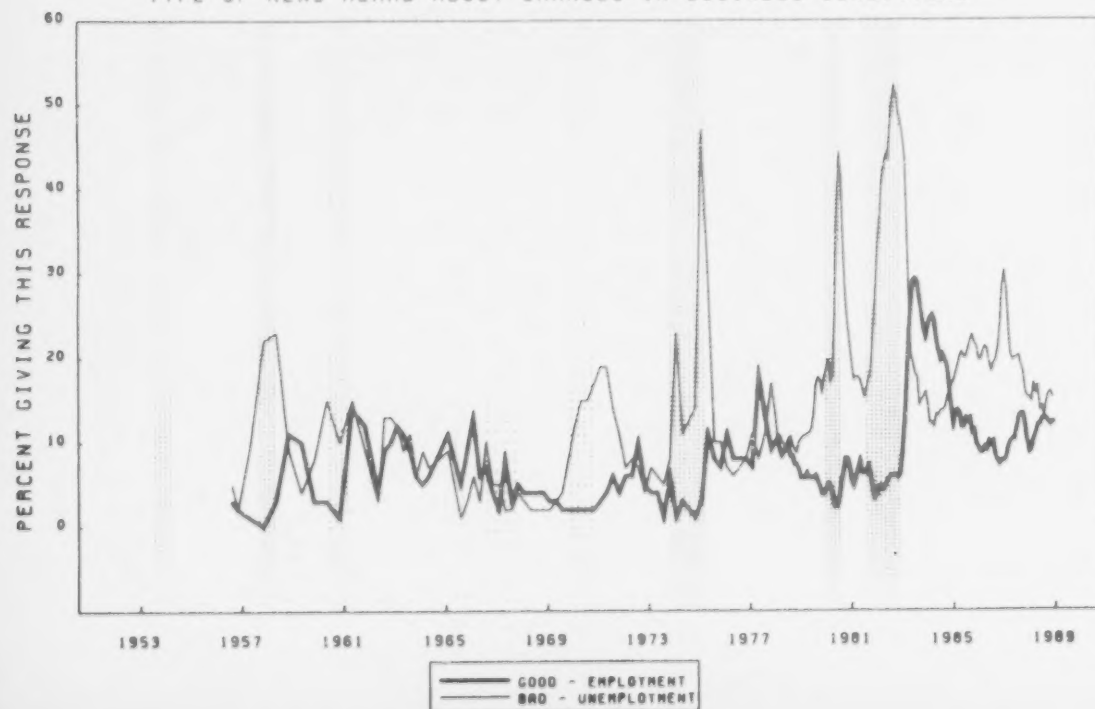


TABLE 11
SELECTED ITEMS OF
NEWS HEARD OF RECENT CHANGES IN BUSINESS CONDITIONS +

	Dec. 1987	Jan. 1988	Feb. 1988	Mar. 1988	Apr. 1988	May 1988	June 1988	July 1988	Aug. 1988	Sept 1988	Oct. 1988	Nov. 1988	Dec. 1988
FAVORABLE NEWS:													
Government; elections	1%	1%	1%	1%	2%	3%	2%	1%	2%	3%	2%	2%	4%
Employment	7	9	11	11	11	14	11	13	14	11	12	13	12
Higher consumer demand	1	2	1	2	1	3	1	3	2	2	2	2	2
Lower prices	*	1	1	1	*	1	1	1	*	1	1	1	1
Easier credit	2	1	4	2	2	2	1	1	1	1	1	1	1
Stock market	1	*	1	2	3	2	3	3	1	2	2	1	1
Trade deficit	1	3	2	3	2	1	2	1	1	3	2	1	1
UNFAVORABLE NEWS:													
Government; elections	6	6	6	3	5	5	6	4	3	3	5	6	7
Unemployment	15	16	13	22	12	16	13	14	12	18	17	13	16
Lower consumer demand	4	4	3	1	3	3	2	2	3	3	3	2	2
Higher prices	2	4	1	1	2	2	2	2	2	5	3	2	3
Tighter credit	3	1	2	1	1	4	3	3	7	6	4	2	6
Stock market	32	21	18	10	7	7	6	5	3	2	3	3	4
Trade deficit	7	6	4	3	3	4	3	1	2	1	1	4	2

The questions were: "During the last few months, have you heard of any favorable or unfavorable changes in business conditions?" and "What did you hear?"

+ : May add to more than 100% due to multiple mentions.

* : Less than half of one percent.

CHART 12 - RECENT CHANGES
CURRENT BUSINESS CONDITIONS COMPARED WITH A YEAR AGO



CHART 12 - HISTORICAL SERIES
CURRENT BUSINESS CONDITIONS COMPARED WITH A YEAR AGO

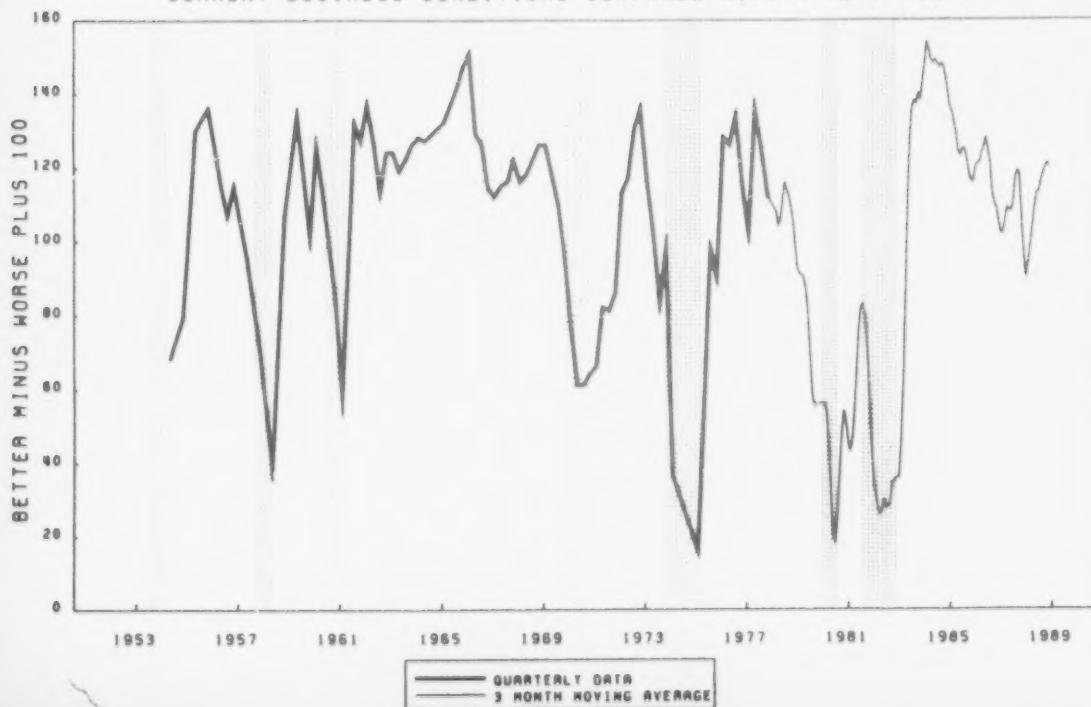


TABLE 12

CURRENT BUSINESS CONDITIONS COMPARED TO A YEAR AGO

	Dec. 1987	Jan. 1988	Feb. 1988	Mar. 1988	Apr. 1988	May 1988	June 1988	July 1988	Aug. 1988	Sept 1988	Oct. 1988	Nov. 1988	Dec. 1988
BETTER NOW	36%	40%	41%	40%	47%	47%	47%	45%	51%	50%	46%	54%	49%
SAME	15	14	13	21	14	17	21	15	18	20	21	17	20
WORSE NOW	46	44	44	36	36	35	30	36	28	28	31	28	29
DK,NA	3	2	2	3	3	1	2	4	3	2	2	1	2
TOTAL	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%
CASES	500	502	500	500	504	500	500	501	500	500	501	508	500

The question was: "Would you say that at the present time business conditions are better or worse than they were a year ago?"

CHART 13 - RECENT CHANGES
EXPECTED CHANGE IN BUSINESS CONDITIONS IN A YEAR



CHART 13 - HISTORICAL SERIES
EXPECTED CHANGE IN BUSINESS CONDITIONS IN A YEAR



TABLE 13
EXPECTED CHANGE IN BUSINESS CONDITIONS IN A YEAR

	Dec. 1987	Jan. 1988	Feb. 1988	Mar. 1988	Apr. 1988	May 1988	June 1988	July 1988	Aug. 1988	Sept 1988	Oct. 1988	Nov. 1988	Dec. 1988
BETTER	22%	21%	23%	21%	21%	26%	24%	23%	24%	27%	23%	19%	19%
SAME	53	58	58	58	57	53	54	53	54	55	59	60	59
WORSE	23	19	17	17	18	16	19	18	16	14	14	18	19
DK,NA	2	2	2	4	4	5	3	6	6	4	4	3	3
TOTAL	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%
CASES	500	502	500	500	504	500	500	501	500	500	501	508	500

The question was: "And how about a year from now, do you expect that in the country as a whole business conditions will be better, or worse than they are at present, or just about the same?"

CHART 14 - RECENT CHANGES
TREND IN PAST AND EXPECTED BUSINESS CONDITIONS



CHART 14 - HISTORICAL SERIES
TREND IN PAST AND EXPECTED BUSINESS CONDITIONS



TABLE 14

TREND IN PAST AND EXPECTED CHANGES IN BUSINESS CONDITIONS

	Dec. 1987	Jan. 1988	Feb. 1988	Mar. 1988	Apr. 1988	May 1988	June 1988	July 1988	Aug. 1988	Sept 1988	Oct. 1988	Nov. 1988	Dec. 1988
TREND:													
Continuous increase (a)	10%	11%	12%	10%	14%	16%	15%	12%	18%	18%	15%	13%	10%
Intermittant increase (b)	24	29	27	30	30	29	30	28	29	31	31	35	35
Remain unchanged (c)	10	8	10	12	9	9	13	9	11	11	13	10	12
Intermittant decline (d)	22	25	24	21	20	20	18	20	17	19	19	21	19
Continuous decline (e)	16	14	12	10	12	10	10	10	8	6	9	7	9
Mixed change (f)	13	10	11	11	9	11	10	12	8	9	7	10	10
DK,NA	5	3	4	6	6	5	4	9	9	6	6	4	5
TOTAL	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%
CASES	500	502	500	500	504	500	500	501	500	500	501	508	500

Combination of the responses to the questions on Tables 12 and 13.

Key: (a) Better than a year ago/Better a year from now
 (b) Better/Same or Same/Better
 (c) Same/Same
 (d) Worse/Same or Same/Worse
 (e) Worse/Worse
 (f) Worse/Better or Better/Worse

CHART 15 - RECENT CHANGES
BUSINESS CONDITIONS EXPECTED DURING THE NEXT TWELVE MONTHS



CHART 15 - HISTORICAL SERIES
BUSINESS CONDITIONS EXPECTED DURING THE NEXT TWELVE MONTHS

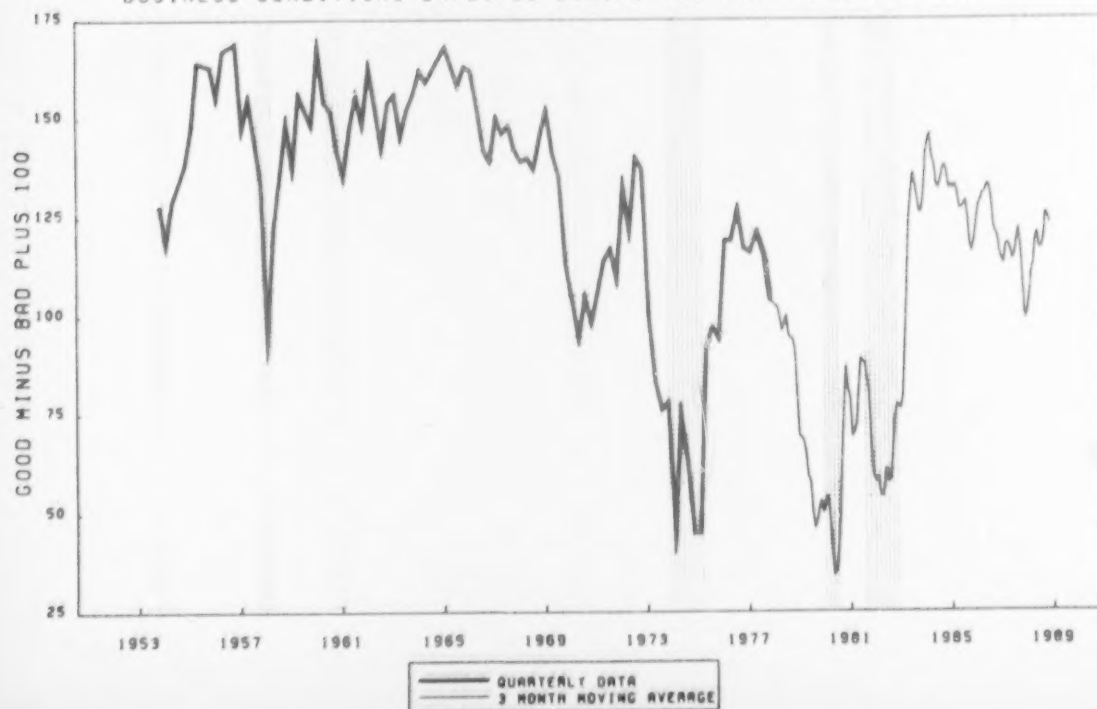


TABLE 15

BUSINESS CONDITIONS EXPECTED DURING THE NEXT 12 MONTHS

	Dec. 1987	Jan. 1988	Feb. 1988	Mar. 1988	Apr. 1988	May 1988	June 1988	July 1988	Aug. 1988	Sept 1988	Oct. 1988	Nov. 1988	Dec. 1988
GOOD TIMES	41%	47%	45%	47%	50%	54%	54%	44%	52%	53%	54%	53%	52%
UNCERTAIN; GOOD & BAD	4	4	4	4	4	4	3	4	4	5	7	4	5
BAD TIMES	43	37	37	33	33	29	33	38	27	28	25	31	33
DON'T KNOW	6	7	7	7	9	8	6	9	11	9	8	7	5
NOT ASCERTAINED	6	5	7	9	4	5	4	5	6	5	6	5	5
TOTAL	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%
CASES	500	502	500	500	504	500	500	501	500	500	501	508	500

The question was: "Now turning to business conditions in the country as a whole--do you think that during the next 12 months we'll have good times financially, or bad times or what?"

CHART 16 - RECENT CHANGES
BUSINESS CONDITIONS EXPECTED FOR THE NEXT FIVE YEARS



CHART 16 - HISTORICAL SERIES
BUSINESS CONDITIONS EXPECTED FOR THE NEXT FIVE YEARS



TABLE 16
BUSINESS CONDITIONS EXPECTED DURING THE NEXT FIVE YEARS

	Dec. 1987	Jan. 1988	Feb. 1988	Mar. 1988	Apr. 1988	May 1988	June 1988	July 1988	Aug. 1988	Sept 1988	Oct. 1988	Nov. 1988	Dec. 1988
GOOD TIMES	33%	34%	35%	39%	36%	41%	36%	39%	43%	41%	40%	40%	41%
UNCERTAIN; GOOD & BAD	16	12	15	14	15	13	16	11	16	17	12	14	12
BAD TIMES	44	50	45	43	47	43	41	43	38	39	43	43	43
NOT ASCERTAINED	7	4	5	4	2	3	7	7	3	3	5	3	4
TOTAL	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%
CASES	500	502	500	500	504	500	500	501	500	500	501	508	500

The question was: "Looking ahead, which would you say is more likely--that in the country as a whole we'll have continuous good times during the next 5 years or so, or that we will have periods of widespread unemployment or depression, or what?"

CHART 17 - RECENT CHANGES
EXPECTED CHANGE IN UNEMPLOYMENT



CHART 17 - HISTORICAL SERIES
EXPECTED CHANGE IN UNEMPLOYMENT



TABLE 17
EXPECTED CHANGE IN UNEMPLOYMENT

	Dec. 1987	Jan. 1988	Feb. 1988	Mar. 1988	Apr. 1988	May 1988	June 1988	July 1988	Aug. 1988	Sept 1988	Oct. 1988	Nov. 1988	Dec. 1988
LESS	12%	12%	12%	12%	14%	11%	15%	15%	15%	17%	16%	14%	15%
SAME	51	54	53	58	56	67	53	54	53	52	60	57	55
MORE	34	33	33	28	28	21	31	29	27	27	22	27	28
DK,NA	3	1	2	2	2	1	1	2	5	4	2	2	2
TOTAL	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%
CASES	500	502	500	500	504	500	500	501	500	500	501	508	500

The question was: "How about people out of work during the coming 12 months--do you think that there will be more unemployment than now, about the same, or less?"

CHART 18 - RECENT CHANGES
EXPECTED CHANGE IN INTEREST RATES



CHART 18 - HISTORICAL SERIES
EXPECTED CHANGE IN INTEREST RATES



TABLE 18
EXPECTED CHANGE IN INTEREST RATES

	Dec. 1987	Jan. 1988	Feb. 1988	Mar. 1988	Apr. 1988	May 1988	June 1988	July 1988	Aug. 1988	Sept 1988	Oct. 1988	Nov. 1988	Dec. 1988
GO UP	52%	54%	44%	49%	48%	64%	67%	65%	71%	67%	62%	62%	74%
STAY THE SAME	26	32	32	29	35	26	24	22	19	21	24	27	16
GO DOWN	20	12	21	19	14	8	7	11	7	8	11	9	7
DK,NA	2	2	3	3	3	2	2	2	3	4	3	2	3
TOTAL	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%
CASES	500	502	500	500	504	500	500 ¹	501	500	500	501	508	500

The question was: "No one can say for sure, but what do you think will happen to interest rates for borrowing money during the next 12 months--will they go up, stay the same, or go down?"

CHART 19 - RECENT CHANGES
MEAN EXPECTED PRICE INCREASE OVER THE NEXT 12 MONTHS



CHART 19 - HISTORICAL SERIES
MEAN EXPECTED PRICE INCREASE OVER THE NEXT 12 MONTHS



TABLE 19
EXPECTED CHANGE IN PRICES DURING THE NEXT 12 MONTHS

	Dec. 1987	Jan. 1988	Feb. 1988	Mar. 1988	Apr. 1988	May 1988	June 1988	July 1988	Aug. 1988	Sept 1988	Oct. 1988	Nov. 1988	Dec. 1988
SAME OR DOWN	21%	23%	17%	18%	14%	13%	13%	8%	8%	8%	9%	11%	10%
WILL GO UP BY:													
1-2%	19	16	21	19	19	19	18	15	15	16	20	15	16
3-4%	21	21	23	24	25	26	20	23	23	25	21	28	26
5%	15	17	16	19	18	18	20	19	22	21	20	18	20
6-9%	8	6	6	6	7	7	8	12	9	10	8	8	8
10-14%	8	7	7	6	7	6	9	12	8	7	9	9	11
15% or more	3	6	5	3	4	6	6	6	6	6	5	5	4
DK how much up	4	3	4	5	5	4	5	5	8	6	6	5	4
DK,NA	1	1	1	*	1	1	1	*	1	1	2	1	1
TOTAL	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%
MEAN INCREASE	4.0	4.4	4.5	4.1	4.5	4.9	5.6	5.6	5.4	5.5	5.2	5.4	5.0
VARIANCE	26	35	40	26	31	41	60	37	38	52	40	55	32
CASES	500	502	500	500	504	500	500	501	500	500	501	508	500

The questions were: "During the next 12 months, do you think that prices in general will go up, or go down, or stay where they are now?" and "By about what percent do you expect prices to go up, on the average, during the next 12 months?"

* : Less than half of one percent.

CHART 20 - RECENT CHANGES
OPINIONS ABOUT THE GOVERNMENT'S ECONOMIC POLICY



CHART 20 - HISTORICAL SERIES
OPINIONS ABOUT THE GOVERNMENT'S ECONOMIC POLICY

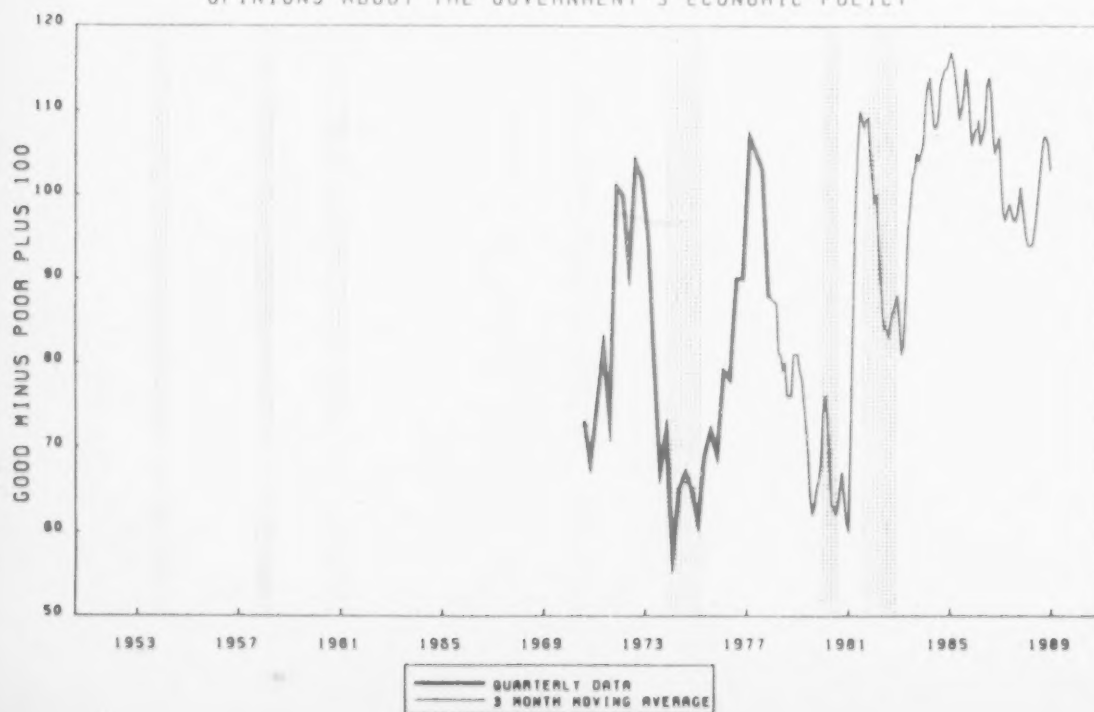


TABLE 20
OPINIONS ABOUT THE GOVERNMENT'S ECONOMIC POLICY

	Dec. 1987	Jan. 1988	Feb. 1988	Mar. 1988	Apr. 1988	May 1988	June 1988	July 1988	Aug. 1988	Sept 1988	Oct. 1988	Nov. 1988	Dec. 1988
A GOOD JOB	19%	17%	18%	23%	18%	21%	23%	25%	28%	29%	26%	27%	20%
ONLY FAIR	56	60	53	49	56	56	57	51	48	49	51	49	57
A POOR JOB	22	22	27	26	25	22	19	21	21	20	20	23	21
DK,NA	3	1	2	2	1	1	1	3	3	2	3	1	2
TOTAL	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%
CASES	500	502	500	500	504	500	500	501	500	500	501	508	500

The question was: "As to the economic policy of the government--I mean steps taken to fight inflation or unemployment--would you say the government is doing a good job, only fair, or a poor job?"

CHART 21 - RECENT CHANGES
BUYING CONDITIONS FOR LARGE HOUSEHOLD GOODS



CHART 21 - HISTORICAL SERIES
BUYING CONDITIONS FOR LARGE HOUSEHOLD GOODS

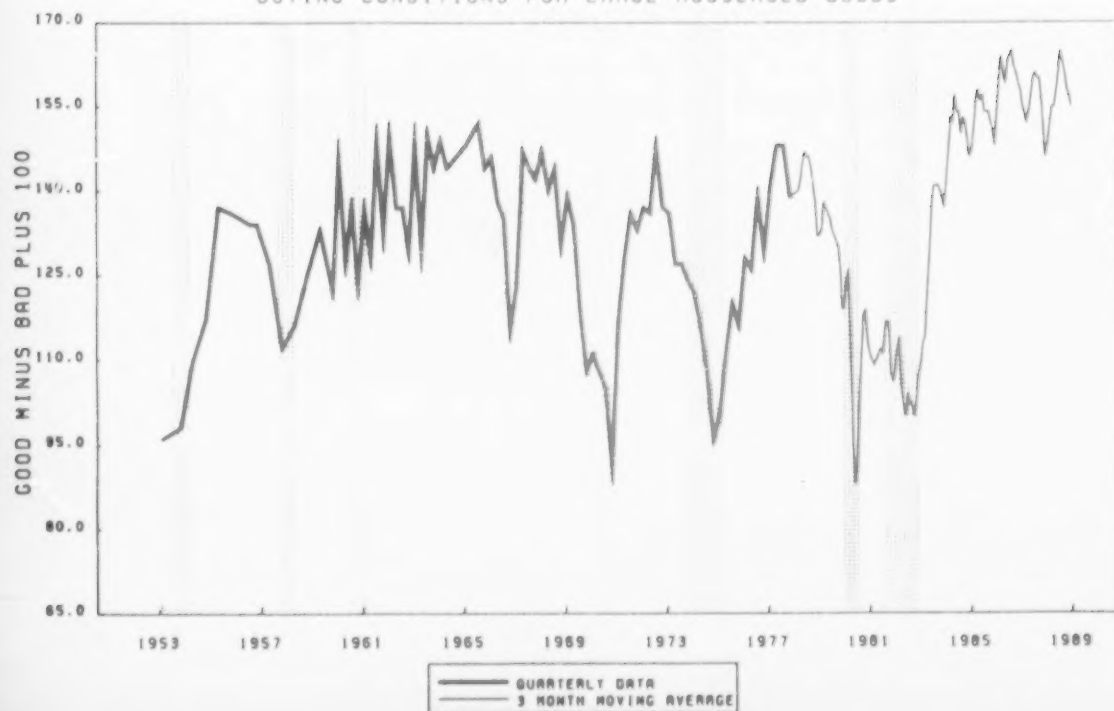


TABLE 21

BUYING CONDITIONS FOR LARGE HOUSEHOLD GOODS

	Dec. 1987	Jan. 1988	Feb. 1988	Mar. 1988	Apr. 1988	May 1988	June 1988	July 1988	Aug. 1988	Sept 1988	Oct. 1988	Nov. 1988	Dec. 1988
GOOD TIME TO BUY	69%	72%	72%	71%	73%	79%	74%	79%	74%	71%	73%	73%	70%
UNCERTAIN, DEPENDS	9	10	11	14	8	7	15	9	12	15	12	10	10
BAD TIME TO BUY	22	18	17	15	19	14	11	12	14	14	15	17	20
TOTAL	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%
CASES	500	502	500	500	504	500	500	501	500	500	501	508	500

The question was: "About the big things people buy for their homes--such as furniture, a refrigerator, stove, television, and things like that. Generally speaking, do you think now is a good or a bad time for people to buy major household items?"

CHART 22A - HISTORICAL SERIES
REASONS FOR OPINIONS ABOUT BUYING CONDITIONS FOR DURABLES

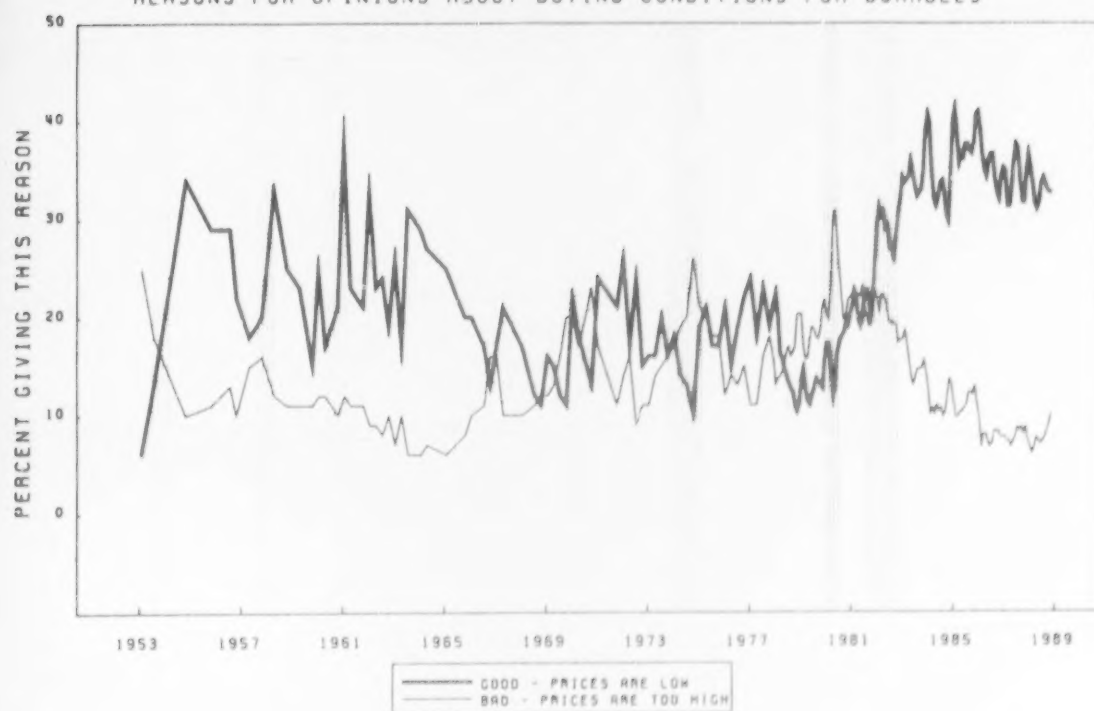


CHART 22B - HISTORICAL SERIES
REASONS FOR OPINIONS ABOUT BUYING CONDITIONS FOR DURABLES

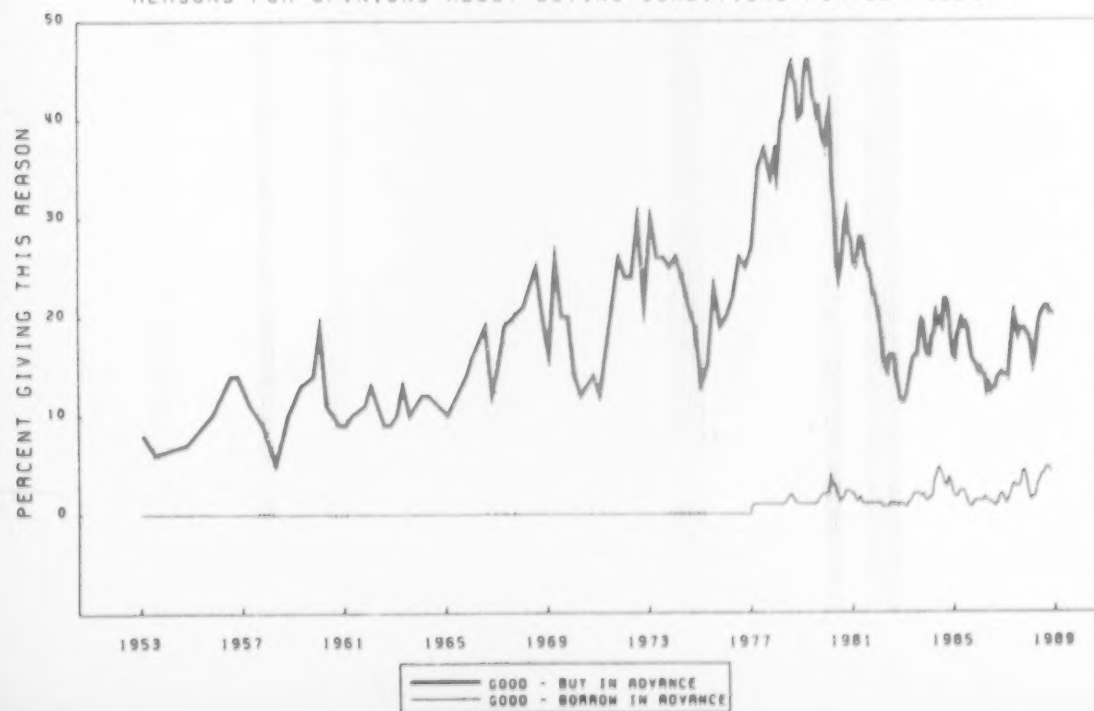


TABLE 22

SELECTED REASONS FOR OPINIONS ABOUT BUYING CONDITIONS FOR LARGE HOUSEHOLD GOODS +

	Dec. 1987	Jan. 1988	Feb. 1988	Mar. 1988	Apr. 1988	May 1988	June 1988	July 1988	Aug. 1988	Sept 1988	Oct. 1988	Nov. 1988	Dec. 1988
GOOD TIME TO BUY:													
Prices are low; good buys available	37%	37%	36%	33%	32%	30%	31%	34%	36%	33%	32%	34%	32%
Prices won't come down; are going higher	22	16	14	15	19	20	20	21	21	21	21	19	21
Interest rates are low	8	6	8	10	9	6	8	7	7	7	7	8	4
Borrow-in-advance of rising interest rates	1	2	1	2	2	5	3	4	5	5	4	4	5
Times are good; prosperity	4	6	7	8	10	7	7	10	7	5	8	5	7
BAD TIME TO BUY:													
Prices are high	10	5	5	8	7	8	7	6	9	8	8	11	11
Interest rates are high; credit is tight	6	4	5	4	4	4	2	2	3	3	4	3	5
Times are bad; can't afford to buy	4	8	6	5	6	3	2	3	3	2	4	3	3
Bad times ahead; uncertain future	5	4	4	2	4	2	1	3	3	3	2	1	3

Responses to the query: "Why do you say so?" following the question on Table 21.

+ : May add to more than 100% due to multiple mentions.

CHART 22C - HISTORICAL SERIES
REASONS FOR OPINIONS ABOUT BUYING CONDITIONS FOR DURABLES

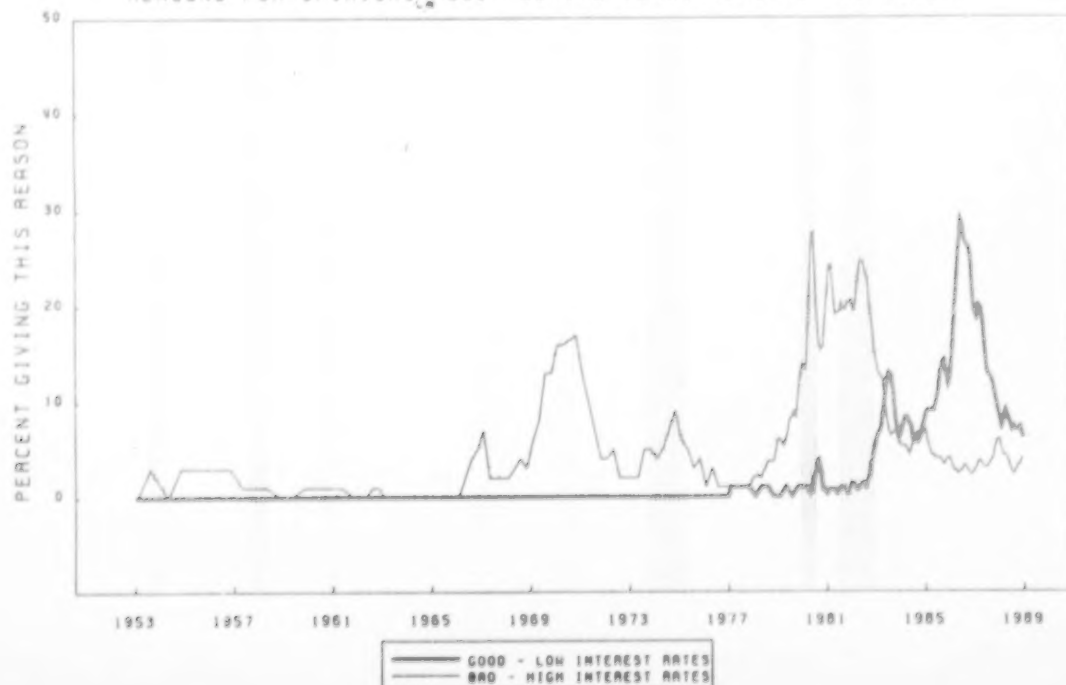


CHART 23 - RECENT CHANGES
BUYING CONDITIONS FOR HOUSES



CHART 23 - HISTORICAL SERIES
BUYING CONDITIONS FOR HOUSES



TABLE 23
BUYING CONDITIONS FOR HOUSES

	Dec. 1987	Jan. 1988	Feb. 1988	Mar. 1988	Apr. 1988	May 1988	June 1988	July 1988	Aug. 1988	Sept 1988	Oct. 1988	Nov. 1988	Dec. 1988
GOOD TIME TO BUY	68%	67%	67%	71%	72%	72%	73%	72%	67%	70%	64%	67%	63%
UNCERTAIN, DEPENDS	3	3	3	6	5	3	5	4	6	5	5	4	7
BAD TIME TO BUY	29	30	30	23	23	25	22	24	27	25	31	29	30
TOTAL	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%
CASES	500	502	500	500	504	500	500	501	500	500	501	508	500

The question was: "Generally speaking, do you think now is a good time or a bad time to buy a house?"

CHART 24A - HISTORICAL SERIES
REASONS FOR OPINIONS ABOUT BUYING CONDITIONS FOR HOUSES



CHART 24B - HISTORICAL SERIES
REASONS FOR OPINIONS ABOUT BUYING CONDITIONS FOR HOUSES

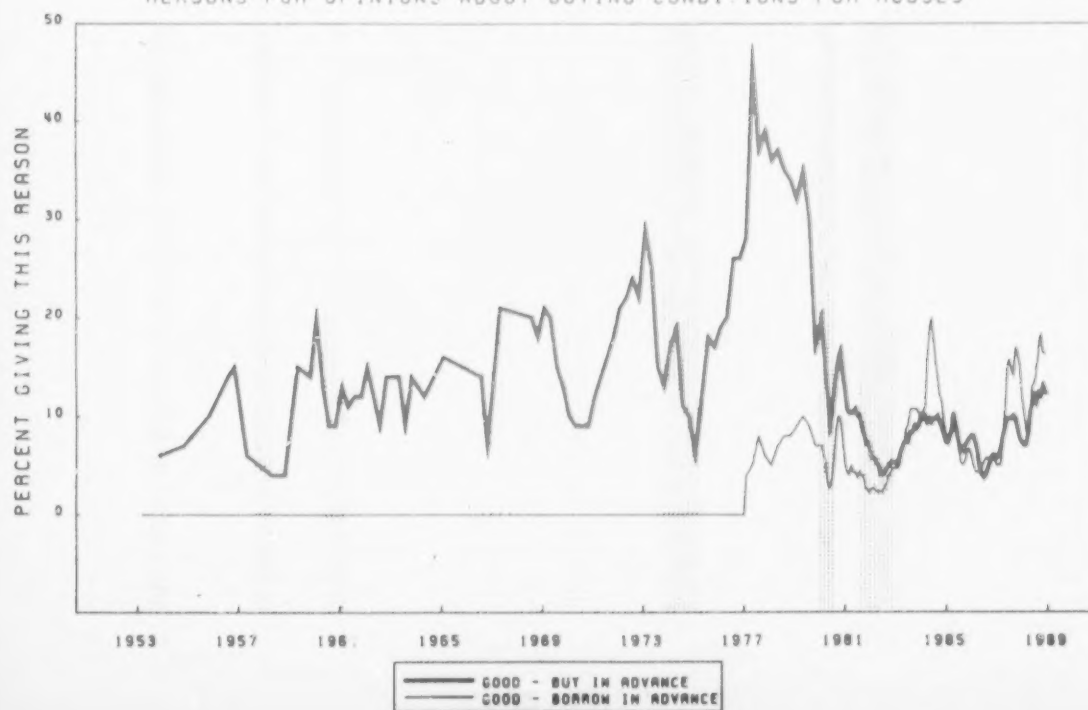


TABLE 24

SELECTED REASONS FOR OPINIONS ABOUT BUYING CONDITIONS FOR HOUSES +

	Dec. 1987	Jan. 1988	Feb. 1988	Mar. 1988	Apr. 1988	May 1988	June 1988	July 1988	Aug. 1988	Sept 1988	Oct. 1988	Nov. 1988	Dec. 1988
GOOD TIME TO BUY:													
Prices are low; good buys available	21%	24%	22%	27%	20%	16%	19%	24%	18%	21%	18%	19%	16%
Prices won't come down; are going higher	9	7	5	9	10	12	12	12	10	15	11	13	13
Interest rates are low	40	35	44	47	40	37	34	30	28	22	25	33	19
Borrow-in-advance of rising interest rates	12	13	6	7	10	14	15	11	19	21	15	13	21
Good investment	9	7	4	6	7	10	6	7	9	9	9	10	8
Times are good; prosperity	3	3	4	4	4	5	5	6	5	4	4	3	3
BAD TIME TO BUY:													
Prices are high	10	11	13	11	10	10	11	13	13	11	18	15	14
Interest rates are high; credit is tight	13	13	15	9	10	12	10	11	14	14	16	12	18
Times are bad; can't afford to buy	7	10	7	8	8	6	4	4	4	4	5	6	3
Bad times ahead; uncertain future	7	5	4	3	4	3	3	2	3	2	3	3	5

Responses to the query: "Why do you say so?" following the question on Table 23.

+ : May add to more than 100% due to multiple mentions.

CHART 24C - HISTORICAL SERIES
REASONS FOR OPINIONS ABOUT BUYING CONDITIONS FOR HOUSES

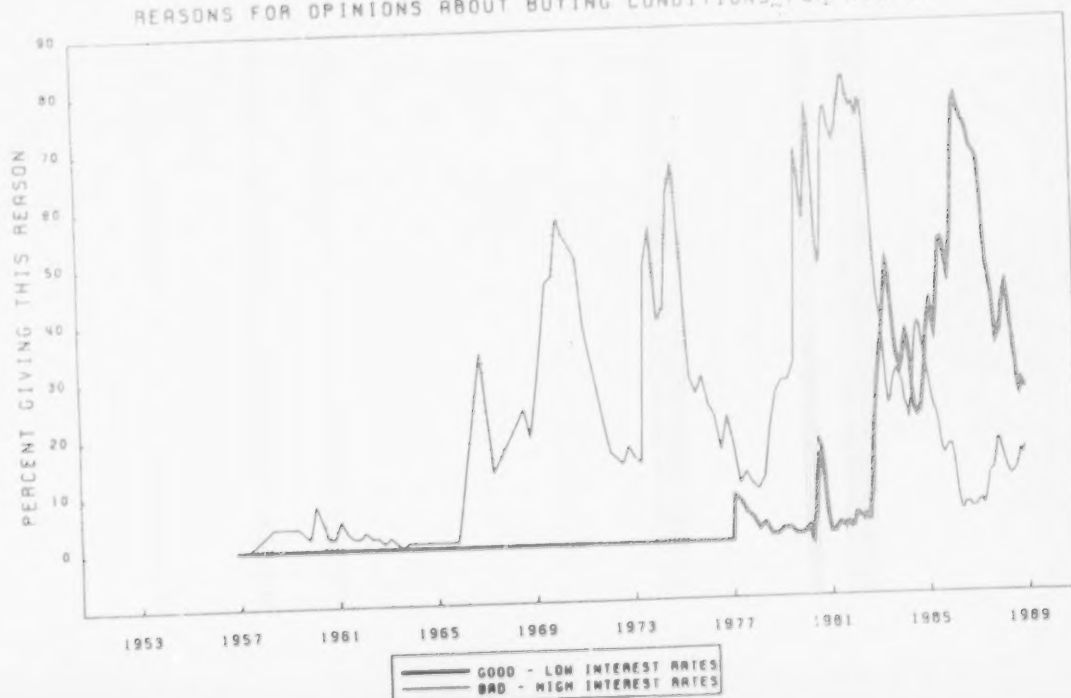


CHART 25 - RECENT CHANGES
BUYING CONDITIONS FOR CARS



CHART 25 - HISTORICAL SERIES
BUYING CONDITIONS FOR CARS



TABLE 25

BUYING CONDITIONS FOR CARS

	Dec. 1987	Jan. 1988	Feb. 1988	Mar. 1988	Apr. 1988	May 1988	June 1988	July 1988	Aug. 1988	Sept 1988	Oct. 1988	Nov. 1988	Dec. 1988
GOOD TIME TO BUY	64%	59%	59%	62%	63%	64%	62%	62%	62%	61%	60%	61%	61%
UNCERTAIN; DEPENDS	6	11	13	8	12	10	11	10	12	13	12	9	10
BAD TIME TO BUY	30	30	28	30	25	26	27	28	26	26	28	30	29
TOTAL	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%
CASES	500	502	500	500	504	500	500	501	500	500	501	508	500

The question was: "Speaking now of the automobile market--do you think the next 12 months or so will be a good time or a bad time to buy a car?"

CHART 26A - HISTORICAL SERIES
REASONS FOR OPINIONS ABOUT BUYING CONDITIONS FOR CARS

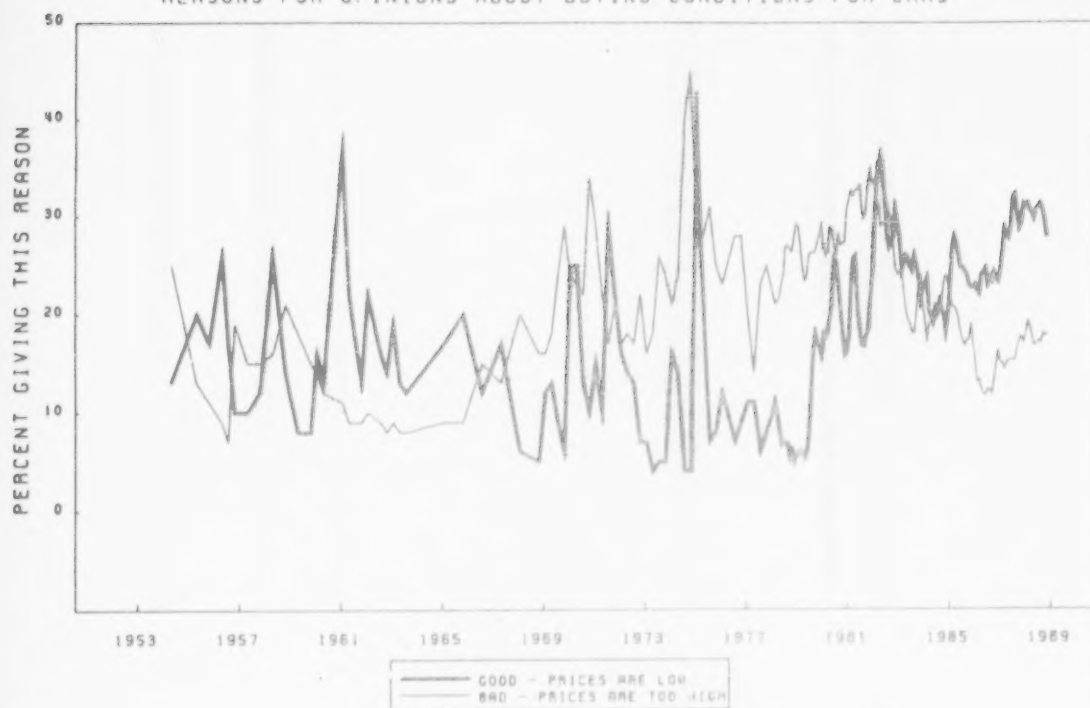


CHART 26B - HISTORICAL SERIES
REASONS FOR OPINIONS ABOUT BUYING CONDITIONS FOR CARS



TABLE 26

SELECTED REASONS FOR OPINIONS ABOUT BUYING CONDITIONS FOR CARS +

	Dec. 1987	Jan. 1988	Feb. 1988	Mar. 1988	Apr. 1988	May 1988	June 1988	July 1988	Aug. 1988	Sept 1988	Oct. 1988	Nov. 1988	Dec. 1988
GOOD TIME TO BUY:													
Prices are low; good buys available	31%	32%	30%	32%	30%	29%	30%	33%	30%	31%	31%	27%	26%
Prices won't come down; are going higher	14	11	10	11	12	14	14	13	15	14	13	15	17
Interest rates are low	21	20	20	20	21	17	16	14	16	14	12	14	11
Borrow-in-advance of rising interest rates	2	4	2	4	3	5	4	3	6	6	7	4	7
Times are good; prosperity	2	3	3	4	3	4	3	5	4	4	4	4	4
BAD TIME TO BUY:													
Prices are high	17	17	20	21	15	17	18	16	18	17	19	17	18
Interest rates are high; credit is tight	9	5	8	6	6	6	4	6	6	9	8	7	9
Times are bad; can't afford to buy	4	5	4	3	5	3	1	3	4	2	3	2	4
Bad times ahead; uncertain future	4	3	2	2	2	2	2	2	2	2	1	2	3
Poor selection; quality	4	4	3	3	2	2	3	3	2	3	5	3	2

Responses to the query: "Why do you say so?" following the question on Table 25.
+ : May add to more than 100% due to multiple mentions.

CHART 26C - HISTORICAL SERIES
REASONS FOR OPINIONS ABOUT BUYING CONDITIONS FOR CARS



EXPLANATORY CHARTS

CHART 1 - RECENT CHANGES

THE INDEX OF CONSUMER SENTIMENT

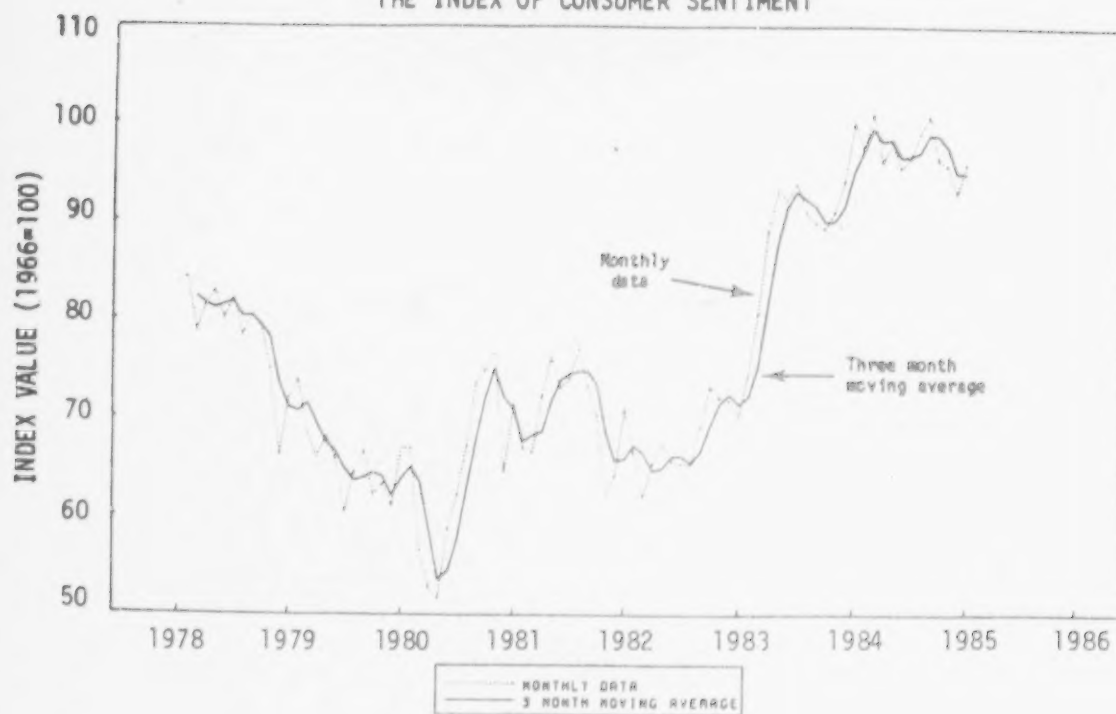
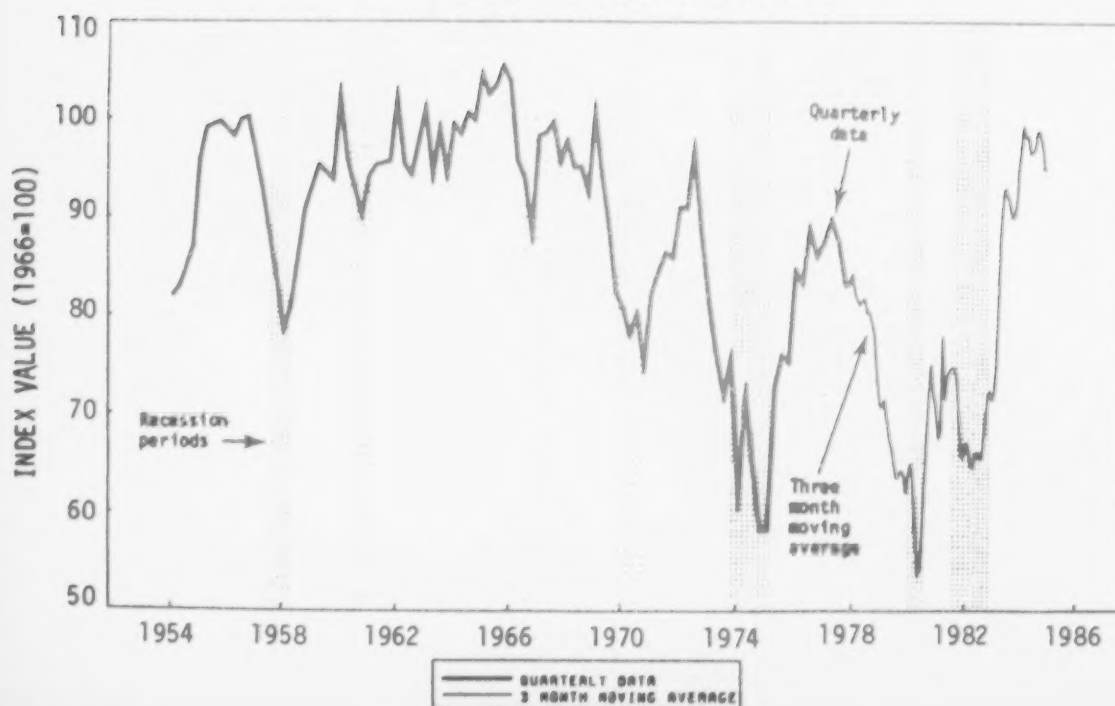


CHART 1 - HISTORICAL SERIES

THE INDEX OF CONSUMER SENTIMENT



DESCRIPTION OF CHART LINES

QUARTERLY DATA: Data collected by surveys conducted at three-month intervals before 1978.

MONTHLY DATA: Data collected by surveys conducted each month since January of 1978.

THREE-MONTH MOVING AVERAGE: Each point plotted represents the average of the three monthly observations ending at the date plotted.

TIME SCALE LABELS

Each tic mark on the time scale represents the month of January for the indicated year.

NATIONAL BUREAU OF ECONOMIC RESEARCH, REFERENCE DATES FOR RECESSIONS

DATES:	November 1948	-	October 1949
	July 1953	-	May 1954
	August 1957	-	April 1958
	April 1960	-	February 1961
	June 1966	-	November 1967*
	December 1969	-	November 1970
	November 1973	-	March 1975
	January 1980	-	July 1980
	July 1981	-	November 1982

Notes:

RECESSION PERIOD: Reduction in the national output of goods and services, generally lasting at least two quarters.

*GROWTH RECESSION: Retardation in the rate of growth of output and employment (usually followed by a recession and always the initial stage of a recession).

APPROXIMATE SAMPLING ERRORS^a OF SURVEY FINDINGS
(In percentages by size of sample or subgroup)

Reported Percentages	Number of Interviews					
	500	700	1000	1400	2000	3000
50	4.9	4.2	3.6	3.2	2.8	2.5
30 or 70	4.5	3.8	3.3	2.9	2.5	2.3
20 or 80	3.9	3.4	2.9	2.6	2.2	2.0
10 or 90	2.9	2.5	2.2	1.9	1.7	1.5
5 or 95	2.1	1.8	1.6	1.4	1.2	1.1

^aThe figures in this table represent two standard errors. Hence, for most items the chances are 95 in 100 that the value being estimated lies within a range equal to the reported percentages, plus or minus the sampling error.

Surveys of Consumers

Richard T. Curtin, *Director*

Strong Rebound in Consumer Sentiment

Index Regains Fourth Quarter Losses

The Index of Consumer Sentiment rose sharply to 97.9 in the January 1989 survey from 91.9 in December 1988. The January increase reversed the entire decline recorded in the last quarter of 1988, moving the Index to just above the 97.3 recorded in September 1988. Overall, the January 1989 Index level was the highest recorded since mid 1986.

Throughout the past six years the Index has traced a sawtoothed path at very favorable levels. The recent increase signals not so much a resurgence in optimism as a continuation of that longstanding pattern.

The January increase was concentrated in improved attitudes toward buying conditions for appliances, furniture, and home electronics. Smaller improvements were also recorded in assessments of personal finances as well as conditions in the general economy. Nonetheless, consumers continued to voice strong concerns about several aspects of the economic outlook. In particular, consumers are still very much concerned about rising interest rates.

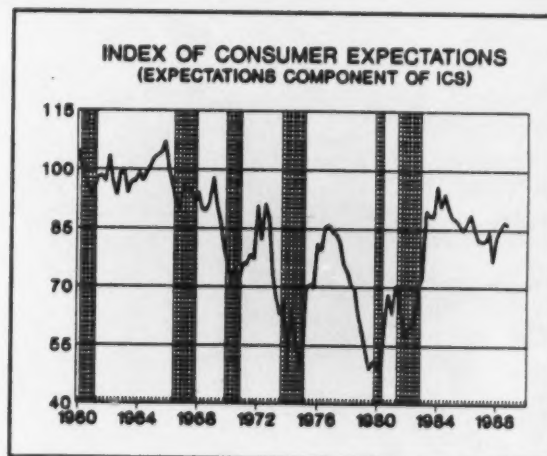
Among families with incomes of \$40,000 or more, the Index rose to 106.8 in January from 99.5 in December 1988.

The January increase was largest among residents

of the West and among householders aged 55 or older; it was these same subgroups that recorded the largest losses in the December.

Leading Indicator

The U.S. Department of Commerce, Bureau of Economic Analysis, recently announced that the Leading Indicator Composite Index will be revised to include the expectations component of the Index of Consumer Sentiment. For our long time supporters, this recognition of the value of the Surveys of Consumers for understanding and forecasting changes in our consumer driven economy will come as no surprise. Perhaps the only surprise is that this recognition has been so long in coming.



The expectations component of the Index of Consumer Sentiment, called the Index of Consumer Expectations, rose to 89.9 in the January survey, up from 85.5 in December, rising to just above the 89.5 recorded in September. In contrast, the component that reflects assessments of current economic conditions rose more substantially, to 110.3 in January from 102.0 in December. These results indicate that most of the January improvement was in evaluations of current economic conditions rather than in future prospects for the economy.

The inclusion of data from the Surveys of Consumers is a significant confirmation of its usefulness. Each series included in the composite Index of Leading Indicators is selected based on its performance on six characteristics: economic significance, statistical adequacy, consistency of timing at business cycle peaks and troughs, conformity to business expansions and contractions, smoothness, and prompt availability.

In addition to the expectations component of the Index of Consumer Sentiment, the composite Index of Leading Indicators includes 10 other statistical series: average weekly hours of production or nonsupervisory worker, manufacturing; average weekly initial claims for unemployment insurance, state programs; manufacturers' new orders in 1982 dollars, consumer goods and materials industries; index of stock prices, 500 common stocks; contracts and orders for plant and equipment in 1982 dollars; index of new private housing units authorized by local building permits; money supply, M2 in 1982 dollars; vendor performance, percent of companies receiving slower deliveries; change in sensitive materials prices; and change in manufacturers' unfilled orders in 1982 dollars, durable goods industries.

Personal Finances Improve

In the January 1989 survey, 44 percent of all families reported that their personal financial situation had improved, regaining the ground lost in the fourth quarter of 1988, but still remaining

below the 49 percent recorded in September. Increases in family incomes were reported by a third of all families, largely unchanged from the December reading, although reports of declines in family incomes fell slightly (14, from 17 percent).

Consumers continue to view prospects for their own financial situation favorably. For the year ahead, 41 percent of all families expected their financial situation to improve. In comparison, just 10 percent of all families expected their financial situation to worsen during 1989. While these figures represent only a modest improvement over the December reading (39 versus 12 percent), there was likewise very little weakness was recorded in these personal financial prospects in late 1988. Overall, personal financial prospects were as favorable at the start of 1989 as one or two years earlier.

Prospects for Economy Viewed More Favorably

The majority of families in the January 1989 survey thought that the economic conditions in the country as a whole had improved during the past year. And the majority of families expected the performance of the national economy to remain largely unchanged during the year ahead. Overall, 56 percent of all families in the January 1989 survey thought that good times financially would prevail in the national economy during the year ahead. Although this was only marginally above the figures recorded in late 1988, the January reading was the highest proportion recorded since mid 1986.

When asked about longer term prospects for the national economy, families in the January 1989 survey were more optimistic that they have been during the past few years. Overall, 45 percent of all families expected good times financially in the economy as a whole during the next five years, the highest favorable proportion recorded since 1984.

Concerns About Economic Prospects Also Expressed

Unemployment. Underlying these favorable assessments of business conditions, half of all families in the January 1989 survey thought that the national unemployment rate would remain largely unchanged at its present decade low during the year ahead. Overall, this is a very positive outlook, and has maintained prospects for both the economy and personal finances at favorable levels. Nonetheless, on the margin, consumers unemployment expectations have gradually worsened in the closing months of 1988 and showed some further weakness in the January 1989 survey. Increases in the national unemployment rate were expected by 34 percent of all families in January, up from 28 percent in December, and the 1988 low of 22 percent recorded in October.

Inflation. In the January survey, consumers expected an inflation rate of 5.1% during 1989. This was largely unchanged from the December reading, but below the 5.5% level recorded from June to September. Nonetheless, the January 1989 reading was still above the year earlier expectation of a 4.4% rate of inflation for 1988—an expectation that exactly matched the actual change in the CPI during 1988.

Interest rates. Interest rate expectations remained at very unfavorable levels in the January 1989 survey, although slightly below the all-time record unfavorable level recorded in December. Among all families in the January 1989 survey, 68 percent expected increases in interest rates during the year ahead, just below the 74 percent recorded in December. Just 7 percent of all families expected interest rates to decline during 1989.

Overall, interest rate expectations continue to be the most troublesome aspect of future economic prospects for consumers. Thus far their primary impact has been on attitudes towards buying conditions for homes and vehicles.

Buying Conditions

Household durables. The proportion of families holding favorable attitudes toward buying conditions for household appliances, furniture, and home electronics rose to 78 percent in the January 1989 survey from 70 percent one month earlier. The January reading is the highest recorded since mid 1988. The primary reason for this resurgence in favorable buying attitudes has been more favorable perceptions of market prices for these durable goods. Among all families in the January 1989 survey, 36 percent mentioned the availability of low and discounted prices, up from 32 percent in December. At the same time, complaints about high prices for household durables fell to 7 from 11 percent.

Homes. Favorable attitudes toward buying conditions for homes were held by 64 percent of all families in the January 1989 survey, largely unchanged from December, but well below the 73 percent recorded in mid 1988. Increasing mortgage interest rates have been the primary reason for the decline. References to the availability of low mortgage rates were made by 22 percent of all families in the January survey, although slightly above the 19 percent recorded in December, it was well below the 1988 peak of 47 percent recorded in February.

Because increases in mortgage rates have thus far been modest, there has been only a small rise in the number of families that view current mortgage rates as too high and a cause for the postponement of home purchases. And because mortgage interest rates are expected to rise even further, as many families cited the advantage of borrowing-in-advance of rising mortgage rates as favored postponement—16 percent.

Vehicles. The proportion of families holding favorable attitudes toward vehicle buying conditions was 62 percent in the January 1989 survey. This proportion has remained largely unchanged since last Spring—during the last eight months it has stayed in the narrow range of 60 to 62 percent. Although vehicle buying attitudes have remained

relatively favorable, they are substantially below the cyclical peak levels recorded in 1986. Like home buying attitudes, favorable vehicle buying conditions have diminished from the prior peaks due to rising interest rates on credit purchases. But unlike home buying conditions, the recently announced interest rate discounts offered by manufacturers will help to bolster vehicle sales.

* * *

The January 1989 survey included 501 completed interviews conducted between January 3 and January 27, 1989.

SURVEYS OF CONSUMER ATTITUDES

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Institute for Social Research

SURVEYS OF CONSUMERS

JANUARY 1989

The January 1989 survey was the 246th in a series of Surveys of Consumers conducted by the Survey Research Center at The University of Michigan. Initiated in 1946, these periodic surveys provide regular assessments of consumer attitudes and expectations, and are used to evaluate economic trends and prospects. The surveys are designed to explore why changes in consumer attitudes and expectations occur, and how these changes influence consumer spending and saving decisions.

All surveys are subject to sampling error because not all members of the population are interviewed. Most results for the total sample will differ by no more than 5 percentage points in either direction from what would have been obtained by using the same methods on the entire population. See the back of this book for sampling error information.

While every effort is made to accurately measure consumer attitudes and expectations, factors other than sampling may also affect the accuracy of these (and other) findings. These factors may include effects of the question wording, the ability of respondents to articulate answers and opinions, refusal to participate in the survey, and incomplete coverage of the population. There are no standard measures of these effects, but their presence should be acknowledged when using these and all other survey data. While measurement effects are present in all surveys, a noted advantage of time-series data is that the non-sampling influences remain relatively constant across samples.

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26	Selected Reasons for Opinions About Buying Conditions for Cars

CHART 1 - RECENT CHANGES
THE INDEX OF CONSUMER SENTIMENT

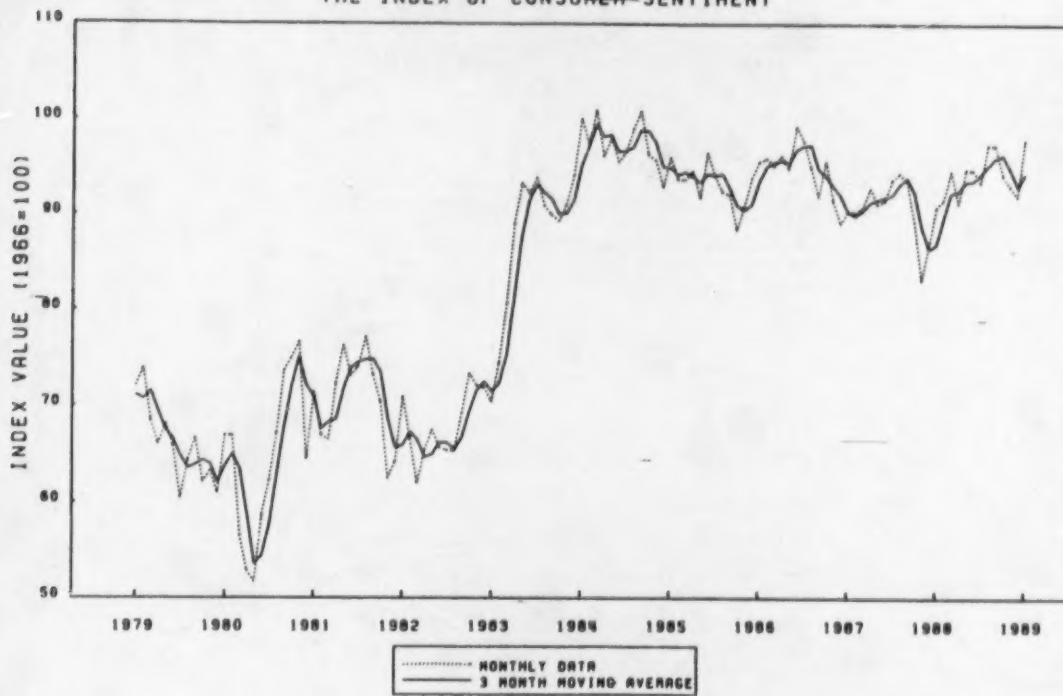


CHART 1 - HISTORICAL SERIES
THE INDEX OF CONSUMER SENTIMENT

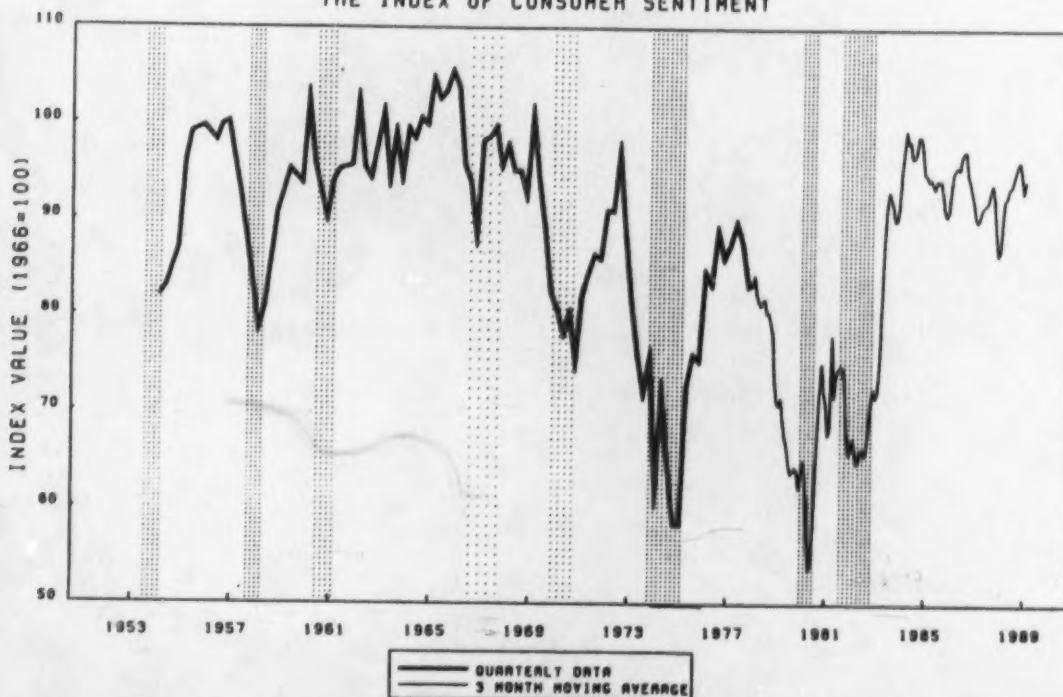


TABLE 1

THE INDEX OF CONSUMER SENTIMENT

DATE OF SURVEY		All families	Families with incomes over \$30,000	Families with incomes over \$40,000
January	1986	95.6	109.7	110.1
February	1986	95.9	107.8	109.0
March	1986	95.1	102.9	110.2
April	1986	96.2	106.9	111.0
May	1986	94.8	105.5	109.9
June	1986	99.3	110.6	112.4
July	1986	97.7	109.6	108.5
August	1986	94.9	105.0	106.6
September	1986	91.9	99.5	102.1
October	1986	95.6	102.8	105.5
November	1986	91.4	97.5	98.7
December	1986	89.1	98.7	98.3
January	1987	90.4	101.2	104.0
February	1987	90.2	103.6	103.6
March	1987	90.8	97.8	96.1
April	1987	92.8	98.5	103.1
May	1987	91.1	97.7	99.2
June	1987	91.5	102.9	102.9
July	1987	93.7	102.5	104.0
August	1987	94.4	104.4	109.1
September	1987	93.6	100.6	104.3
October	1987	89.3	99.9	101.8
November	1987	83.1	87.7	90.5
December	1987	86.8	94.5	96.1
January	1988	90.8	99.0	99.9
February	1988	91.6	98.1	100.8
March	1988	94.6	103.7	104.6
April	1988	91.2	99.1	99.6
May	1988	94.8	106.6	108.3
June	1988	94.7	102.3	102.7
July	1988	93.4	100.5	103.9
August	1988	97.4	105.1	104.2
September	1988	97.3	102.8	105.4
October	1988	94.1	103.0	103.7
November	1988	93.0	102.0	101.0
December	1988	91.9	97.0	99.5
January	1989	97.9	108.4	106.8

CHART 2A - HISTORICAL SERIES
INDEX OF CONSUMER SENTIMENT WITHIN REGION SUBGROUPS

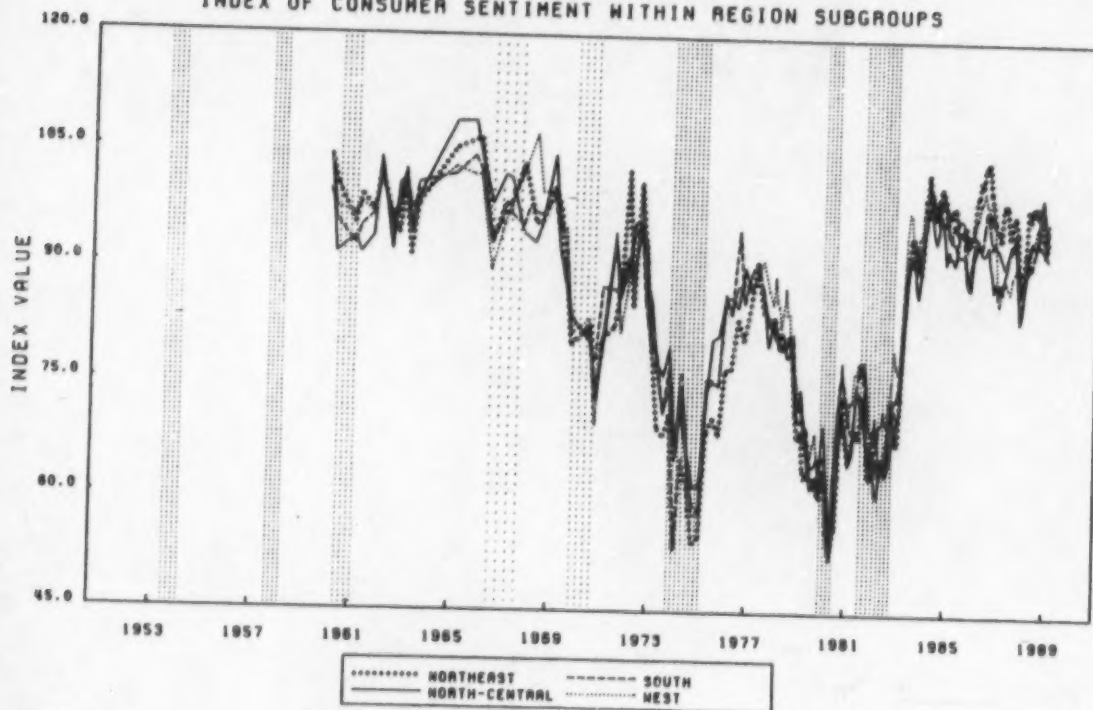


CHART 2B - HISTORICAL SERIES
INDEX OF CONSUMER SENTIMENT WITHIN AGE SUBGROUPS

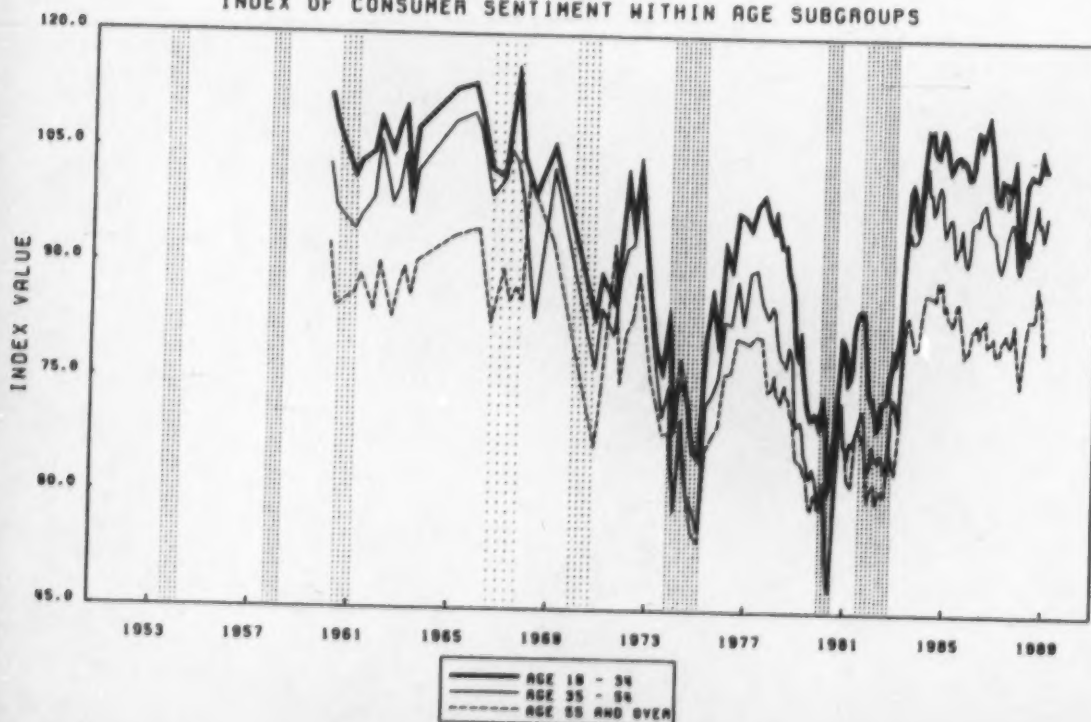


TABLE 2

INDEX OF CONSUMER SENTIMENT WITHIN REGION AND AGE SUBGROUPS

DATE OF SURVEY	CENSUS REGION				AGE OF RESPONDENT		
	North East	North Central	South	West	18-34	35-54	55+
January 1986	96.7	93.9	98.2	93.7	105.5	99.4	80.8
February 1986	103.4	92.7	93.2	98.0	109.7	94.1	83.8
March 1986	99.1	94.9	91.3	98.9	109.1	96.0	82.0
April 1986	102.7	92.3	94.4	99.5	104.8	97.8	83.6
May 1986	101.2	90.1	93.5	98.8	104.9	99.9	78.3
June 1986	106.2	94.1	98.5	102.7	112.7	97.9	86.6
July 1986	103.9-	93.4	101.7	94.7	108.2	98.6	84.5
August 1986	102.5	92.6	90.5	98.2	107.9	95.2	80.1
September 1986	94.6	87.0	91.9	95.8	106.3	92.4	76.1
October 1986	99.1	90.0	96.5	99.3	102.5	97.3	85.7
November 1986	95.8	85.6	93.2	92.3	99.5	94.2	80.4
December 1986	91.8	90.4	89.5	84.0	98.0	91.3	78.3
January 1987	98.1	85.9	96.0	83.9	99.9	91.2	78.4
February 1987	92.4	89.5	90.7	89.2	99.1	89.2	81.5
March 1987	104.6	86.3	87.5	91.2	106.4	89.3	77.7
April 1987	99.4	91.7	93.7	87.2	99.0	95.1	83.5
May 1987	91.3	92.9	92.1	87.1	99.5	92.8	82.1
June 1987	92.5	92.2	91.5	89.7	99.0	95.5	80.0
July 1987	100.1	95.7	93.8	85.2	103.0	97.8	80.2
August 1987	99.0	91.0	95.2	93.2	103.3	95.8	80.8
September 1987	92.2	94.7	94.9	91.5	104.1	95.4	82.6
October 1987	93.8	87.2	88.3	89.1	92.0	89.9	86.2
November 1987	83.9	79.6	87.9	79.4	91.7	86.6	70.8
December 1987	83.4	83.6	90.4	89.2	94.1	92.9	73.6
January 1988	99.8	91.3	87.6	88.5	98.3	93.6	80.1
February 1988	93.7	92.1	92.8	86.3	102.5	90.3	79.9
March 1988	101.2	92.9	91.6	95.3	103.5	98.9	80.0
April 1988	94.9	93.9	88.6	89.0	100.0	87.5	86.6
May 1988	99.1	95.5	91.1	97.3	104.2	95.4	84.7
June 1988	98.1	91.2	95.9	95.2	103.1	102.0	79.5
July 1988	98.3	92.0	91.8	94.0	99.6	93.0	86.6
August 1988	95.7	100.9	94.4	98.5	103.6	101.7	86.3
September 1988	95.2	101.9	93.3	97.6	106.1	93.3	91.4
October 1988	91.8	96.1	92.9	96.6	105.8	94.6	82.0
November 1988	95.8	90.6	90.5	98.9	100.4	94.3	82.2
December 1988	90.8	90.2	96.1	88.0	103.7	97.1	73.9
January 1989	96.9	94.2	99.9	102.2	105.8	100.3	86.7

CHART 3 - RECENT CHANGES
CURRENT AND EXPECTED COMPONENTS

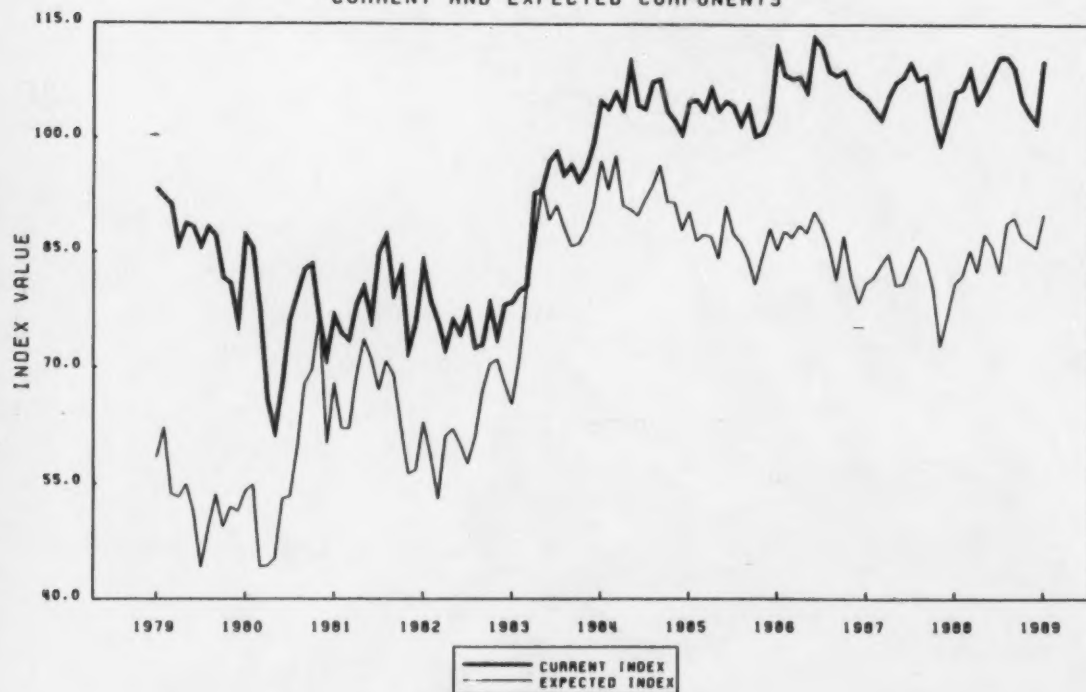


CHART 3 - HISTORICAL SERIES
CURRENT AND EXPECTED COMPONENTS

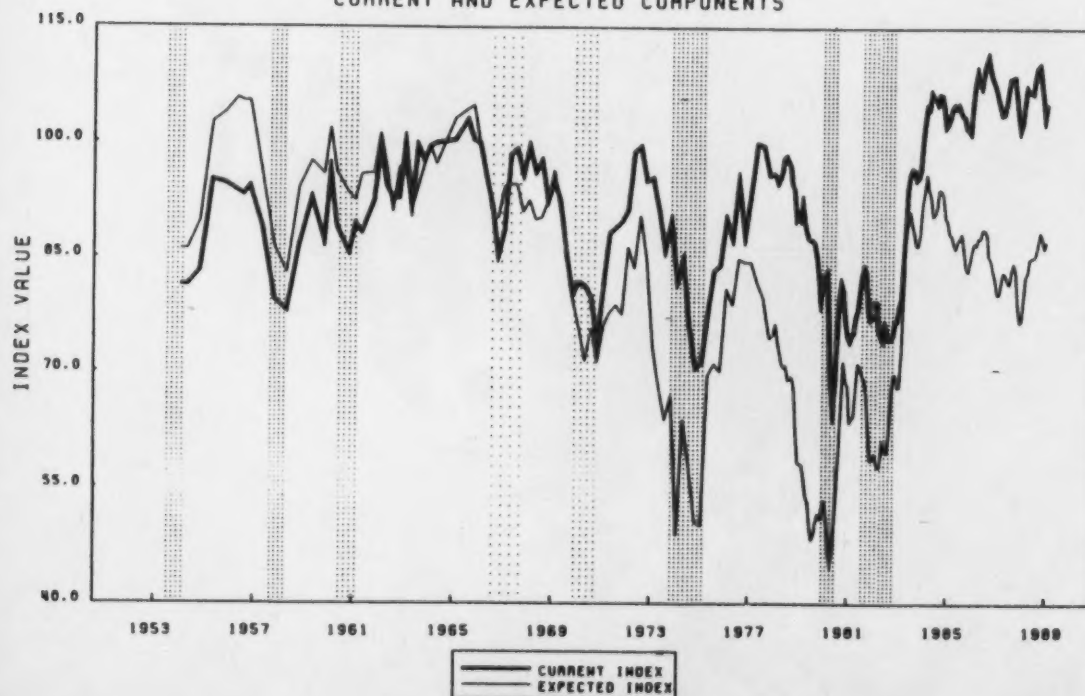


TABLE 3
COMPONENTS OF THE INDEX OF CONSUMER SENTIMENT

		INDEX COMPONENTS +						
		Personal finances		Business conditions		Buying conds.	Current Index	Expected Index
		Current	Expected	12 months	5 years			
DATE OF SURVEY		(1)	(2)	(3)	(4)	(5)	(1,5)	(2,3,4)
January 1986		122	123	126	93	168	111.8	85.3
February 1986		117	123	132	98	164	108.4	87.8
March 1986		120	124	129	96	160	107.9	86.9
April 1986		120	128	133	94	160	108.1	88.5
May 1986		117	129	131	92	158	106.2	87.5
June 1986		124	127	136	100	170	113.3	90.3
July 1986		126	130	131	94	165	112.1	88.5
August 1986		121	128	123	94	161	108.9	85.9
September 1986		120	127	115	84	161	108.3	81.3
October 1986		120	127	124	99	162	108.9	87.1
November 1986		121	121	120	87	155	106.7	81.6
December 1986		116	127	104	83	158	105.8	78.3
January 1987		120	130	117	77	152	105.1	80.9
February 1987		115	126	117	84	153	103.7	81.6
March 1987		114	122	121	92	152	102.5	83.3
April 1987		116	127	116	97	158	105.5	84.7
May 1987		117	121	114	89	161	107.4	80.6
June 1987		120	122	113	89	161	108.1	80.8
July 1987		123	123	118	94	162	109.9	83.3
August 1987		122	127	125	93	157	107.8	85.8
September 1987		119	124	122	92	162	108.3	84.2
October 1987		118	128	105	90	149	103.1	80.4
November 1987		115	118	93	80	142	99.3	72.7
December 1987		119	120	98	89	147	102.7	76.7
January 1988		122	131	110	84	154	106.2	80.9
February 1988		122	130	108	90	155	106.6	81.9
March 1988		127	133	114	96	156	109.1	85.2
April 1988		117	125	117	89	154	104.8	82.4
May 1988		111	127	125	98	165	106.5	87.3
June 1988		119	129	121	95	163	108.6	85.7
July 1988		120	128	106	96	167	110.7	82.3
August 1988		127	127	125	105	160	110.8	88.8
September 1988		127	133	125	102	157	109.4	89.5
October 1988		114	124	129	97	158	105.0	87.0
November 1988		112	128	122	97	156	103.3	86.3
December 1988		114	127	119	98	150	102.0	85.5
January 1989		121	131	128	103	165	110.3	89.9

(1) See Table 4.

(2) See Table 6.

(3) See Table 15.

(4) See Table 16.

(5) See Table 21.

+ : Percent saying "GOOD TIMES" (or "BETTER"), minus percent saying "BAD TIMES" (or "WORSE"), plus 100.

CHART 4 - RECENT CHANGES
CURRENT FINANCIAL SITUATION COMPARED WITH A YEAR AGO



CHART 4 - HISTORICAL SERIES
CURRENT FINANCIAL SITUATION COMPARED WITH A YEAR AGO

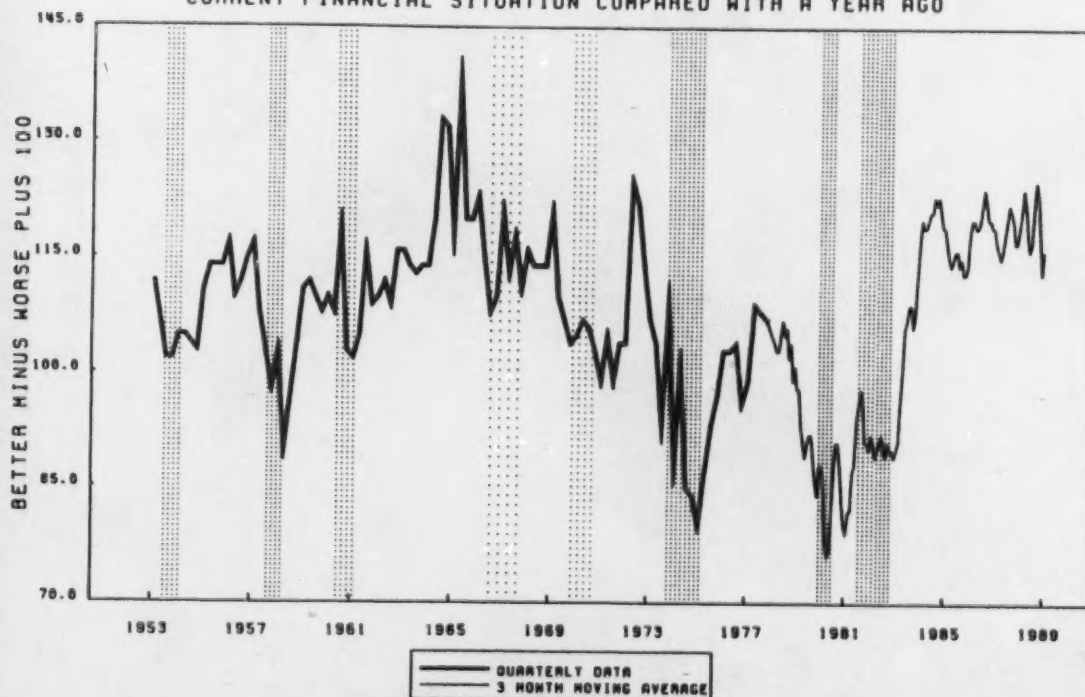


TABLE 4

CURRENT FINANCIAL SITUATION COMPARED TO A YEAR AGO

	Jan. 1988	Feb. 1988	Mar. 1988	Apr. 1988	May 1988	June 1988	July 1988	Aug. 1988	Sept 1988	Oct. 1988	Nov. 1988	Dec. 1988	Jan. 1989
BETTER OFF	46%	47%	49%	41%	40%	43%	45%	50%	49%	42%	41%	39%	44%
SAME	29	27	29	34	31	32	29	26	28	30	30	36	33
WORSE OFF	24	25	22	24	29	24	25	23	22	28	29	25	23
DK,NA	1	1	*	1	*	1	1	1	1	*	*	*	*
TOTAL	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%
CASES	502	500	500	504	500	500	501	500	500	501	508	500	501

The question was: "We are interested in how people are getting along financially these days. Would you say that you (and your family living there) are better off or worse off financially than you were a year ago?"

* : Less than half of one percent.

CHART 5A - HISTORICAL SERIES
REASONS FOR OPINIONS ABOUT PERSONAL FINANCIAL SITUATION

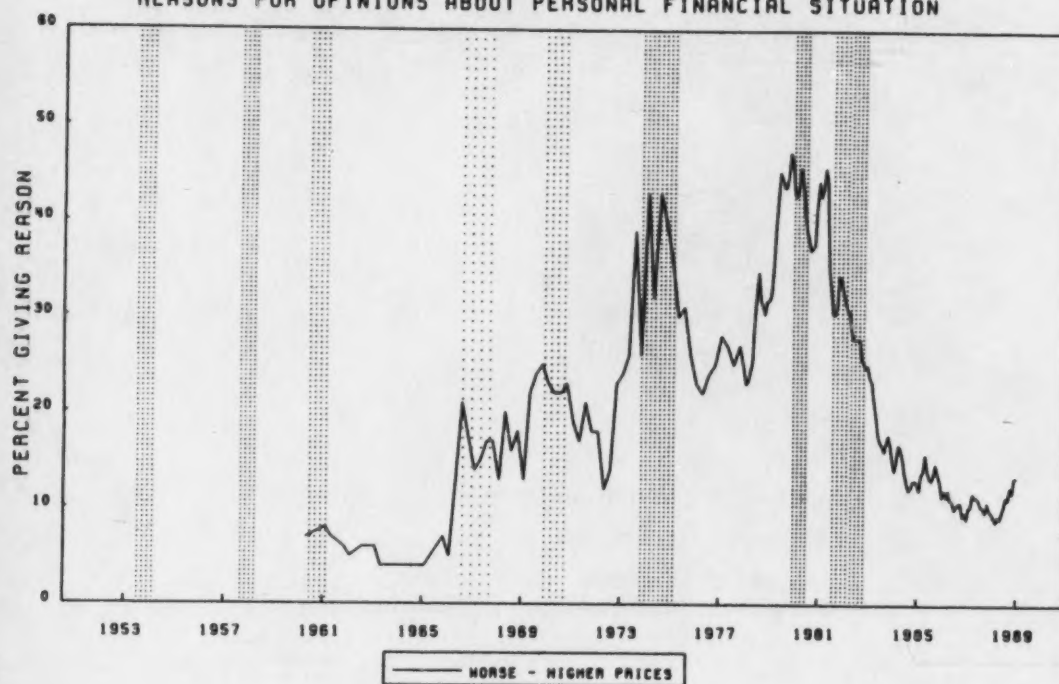


CHART 5B - HISTORICAL SERIES
REASONS FOR OPINIONS ABOUT PERSONAL FINANCIAL SITUATION

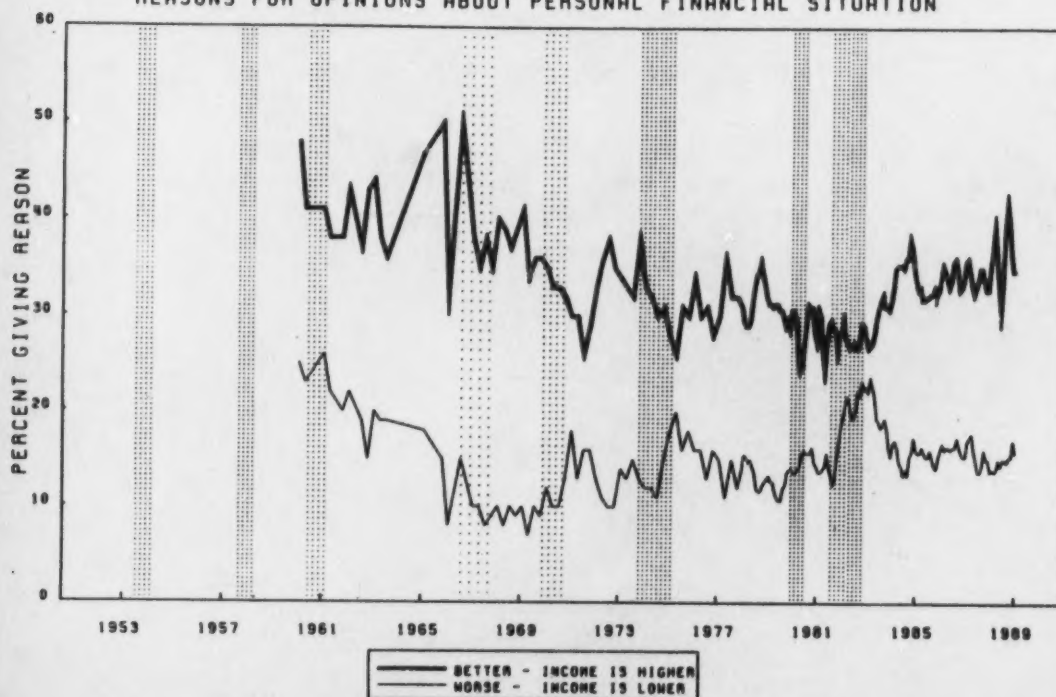


TABLE 5

SELECTED REASONS FOR OPINIONS ABOUT PERSONAL FINANCIAL SITUATION +

	Jan. 1988	Feb. 1988	Mar. 1988	Apr. 1988	May 1988	June 1988	July 1988	Aug. 1988	Sept 1988	Oct. 1988	Nov. 1988	Dec. 1988	Jan. 1989
BETTER OFF THAN YEAR AGO:													
Income is higher	39%	39%	40%	30%	29%	32%	40%	45%	40%	34%	35%	35%	34%
WORSE OFF THAN YEAR AGO:													
Income is lower	13	13	15	14	16	13	16	16	12	18	16	17	14
Higher prices	7	11	8	9	10	10	11	13	9	15	11	14	15

Responses to the query: "Why do you say so?" following the question on Table 4.

+ : May add to more than 100% due to multiple mentions.

CHART 6 - RECENT CHANGES
EXPECTED CHANGE IN FINANCIAL SITUATION

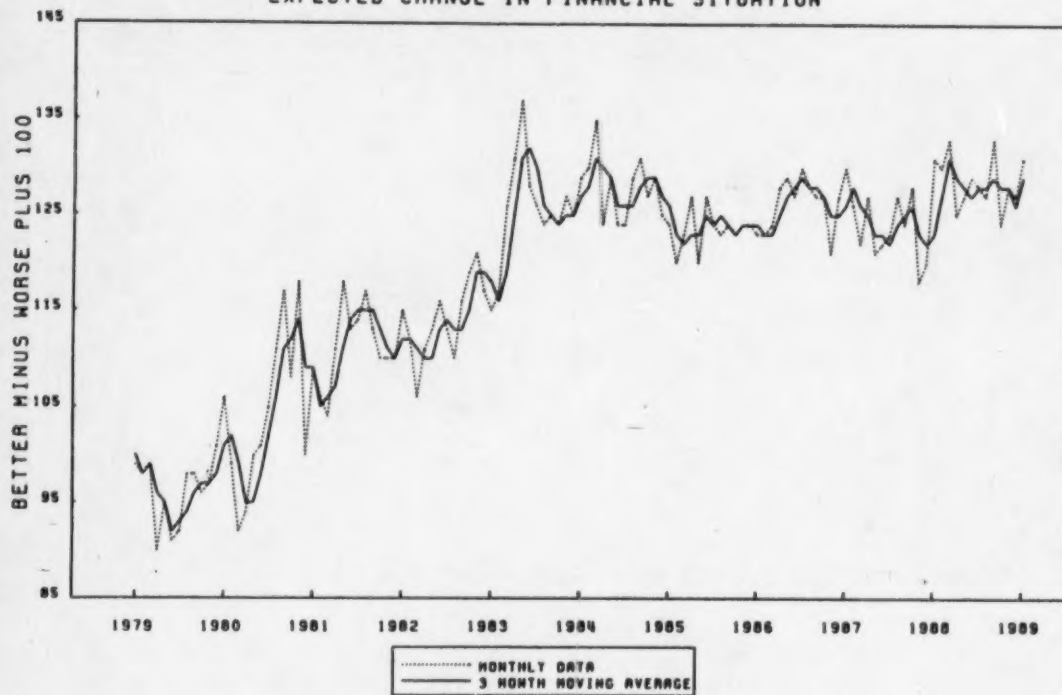


CHART 6 - HISTORICAL SERIES
EXPECTED CHANGE IN FINANCIAL SITUATION

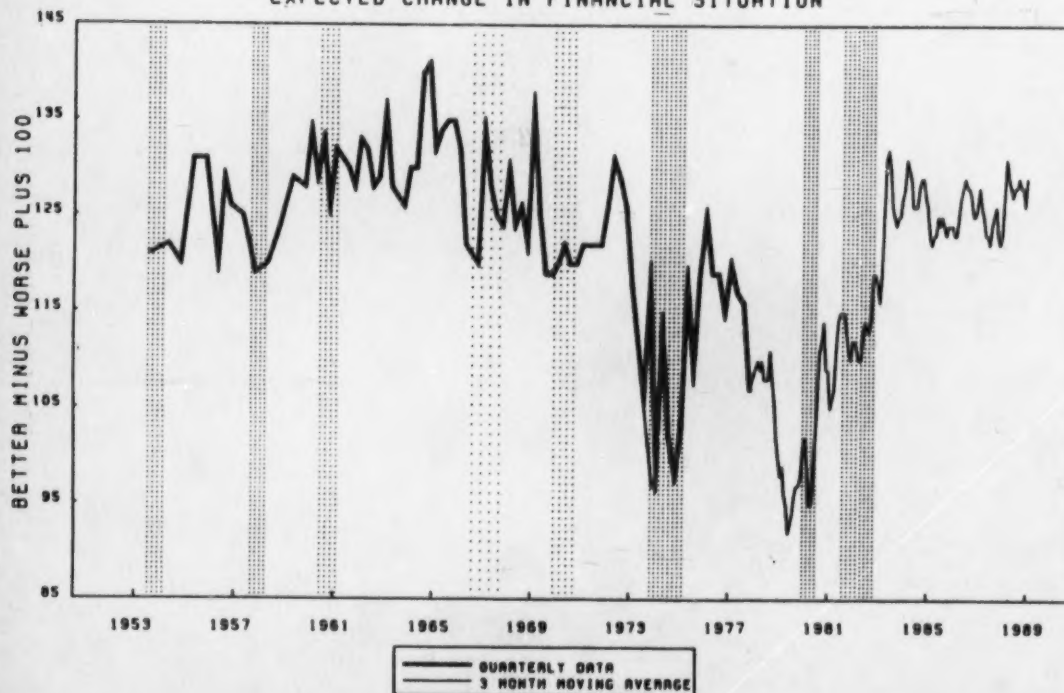


TABLE 6

EXPECTED CHANGE IN FINANCIAL SITUATION

	Jan. 1988	Feb. 1988	Mar. 1988	Apr. 1988	May 1988	June 1988	July 1988	Aug. 1988	Sept 1988	Oct. 1988	Nov. 1988	Dec. 1988	Jan. 1989
BETTER OFF	38%	39%	39%	34%	36%	39%	38%	36%	41%	36%	37%	39%	41%
SAME	53	48	52	54	52	48	48	49	47	48	49	46	47
WORSE OFF	7	9	6	9	9	10	10	9	8	12	9	12	10
DK,NA	2	4	3	3	3	3	4	6	4	4	5	3	2
TOTAL	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%
CASES	502	500	500	504	500	500	501	500	500	501	508	500	501

The question was: "Now looking ahead--do you think that a year from now you (and your family living there) will be better off financially, or worse off, or just about the same as now?"

CHART 7 - RECENT CHANGES
TREND IN PERSONAL FINANCIAL SITUATION

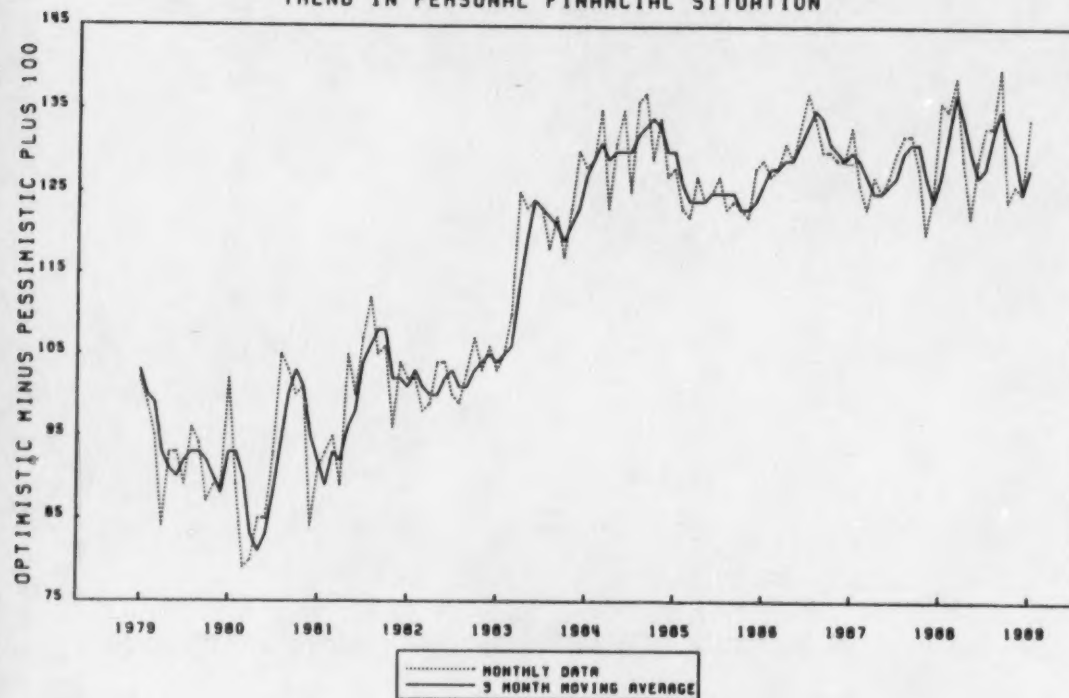


CHART 7 - HISTORICAL SERIES
TREND IN PERSONAL FINANCIAL SITUATION

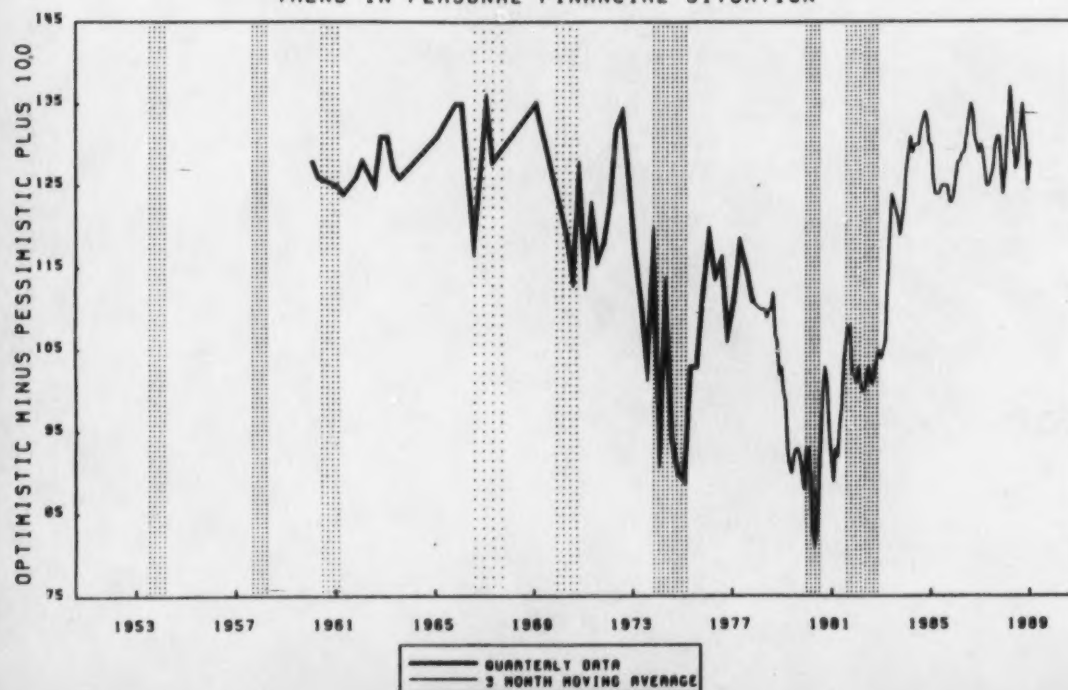


TABLE 7

TREND IN PERSONAL FINANCIAL SITUATION

	Jan. 1988	Feb. 1988	Mar. 1988	Apr. 1988	May 1988	June 1988	July 1988	Aug. 1988	Sept 1988	Oct. 1988	Nov. 1988	Dec. 1988	Jan. 1989
PERSONAL FINANCIAL PROGRESS:													
Continuous increase (a)	21%	20%	25%	18%	19%	24%	19%	25%	25%	20%	21%	22%	23%
Intermittant increase (b)	31	31	30	30	24	25	31	26	28	25	25	23	29
Remain unchanged (c)	19	15	17	20	21	19	16	16	17	18	18	20	18
Intermittant decline (d)	13	13	13	16	17	16	13	14	10	15	16	16	13
Continuous decline (e)	3	3	3	3	4	4	4	4	3	6	4	4	5
Mixed change (f)	11	13	9	9	13	9	13	8	12	11	11	11	10
DK,NA	2	5	3	4	2	3	4	7	5	5	5	4	2
TOTAL	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%
CASES	502	500	500	504	500	500	501	500	500	501	508	500	501

Combination of the responses to the questions on Tables 4 and 6.

Key: (a) Better off financially than a year ago/Better off a year from now
 (b) Better/Same or Same/Better
 (c) Same/Same
 (d) Worse/Same or Same/Worse
 (e) Worse/Worse
 (f) Worse/Better or Better/Worse

CHART 8 - RECENT CHANGES
 MEDIAN EXPECTED CHANGE IN FAMILY INCOME

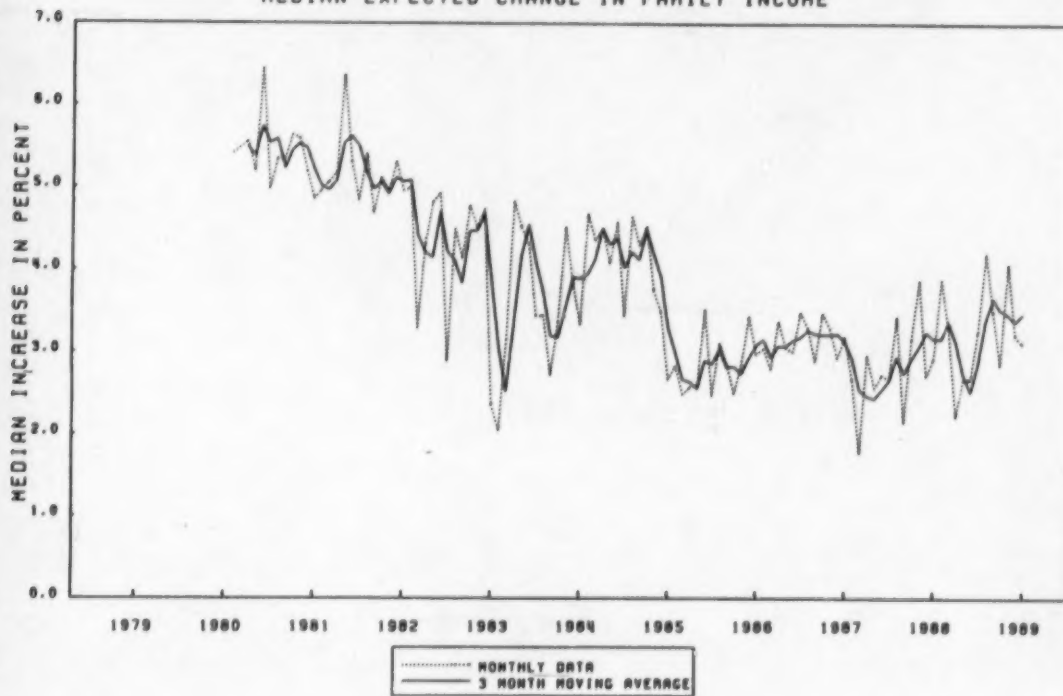


CHART 8 - HISTORICAL SERIES
 MEDIAN EXPECTED CHANGE IN FAMILY INCOME

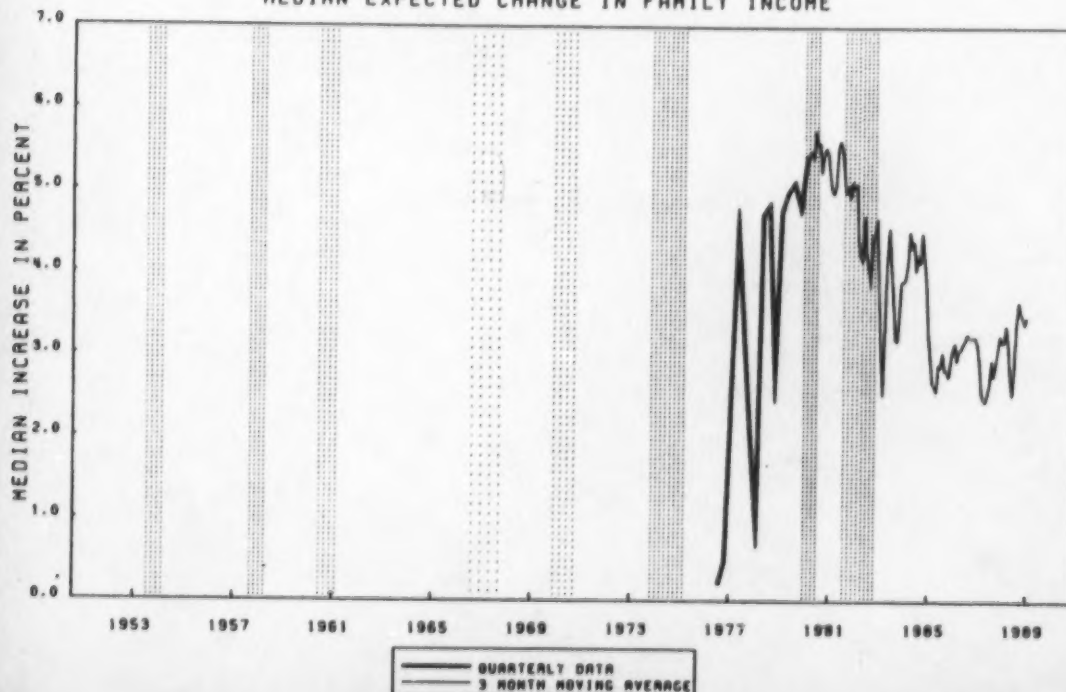


TABLE 8

EXPECTED FAMILY INCOME CHANGE DURING THE NEXT 12 MONTHS

	Jan. 1988	Feb. 1988	Mar. 1988	Apr. 1988	May 1988	June 1988	July 1988	Aug. 1988	Sept 1988	Oct. 1988	Nov. 1988	Dec. 1988	Jan. 1989
EXPECT INCREASE:													
1-4%	18%	16%	16%	16%	15%	15%	18%	14%	16%	16%	18%	21%	15%
5%	12	15	11	9	12	9	10	14	10	12	11	11	9
6-9%	7	8	7	6	7	7	10	9	8	6	9	7	10
10-24%	15	17	17	14	13	15	14	17	16	15	15	15	14
25% or more	6	5	7	6	9	6	7	5	8	6	7	6	8
DK how much up	4	2	2	6	2	5	5	6	6	5	7	4	4
EXPECT SAME	27	23	29	30	28	28	24	25	25	27	20	22	27
EXPECT DOWN	10	12	9	12	13	13	11	9	10	12	11	13	13
DK,NA	1	2	2	1	1	2	1	1	1	1	2	1	*
TOTAL	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%
CASES	502	500	500	504	500	500	501	500	500	501	508	500	501

The questions were: "During the next 12 months, do you expect your (family) income to be higher or lower than during the past year?" and "By about what percent do you expect your (family) income to increase during the next 12 months?"

* : Less than half of one percent.

CHART 9 - RECENT CHANGES
INCOME OR PRICES UP MORE NEXT YEAR

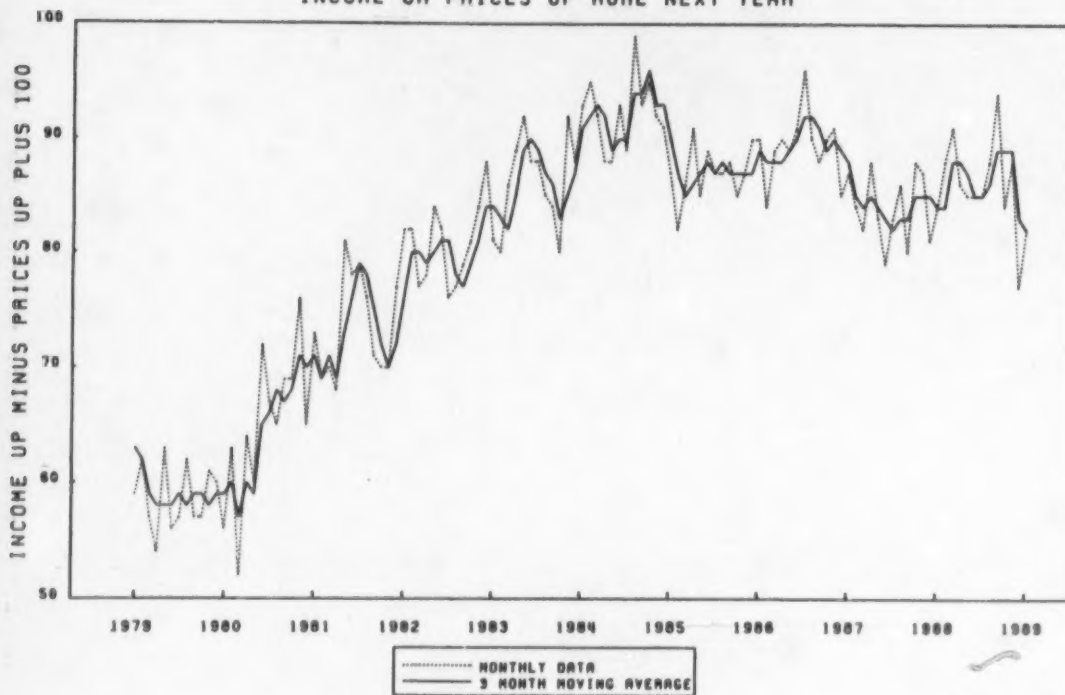


CHART 9 - HISTORICAL SERIES
INCOME OR PRICES UP MORE NEXT YEAR

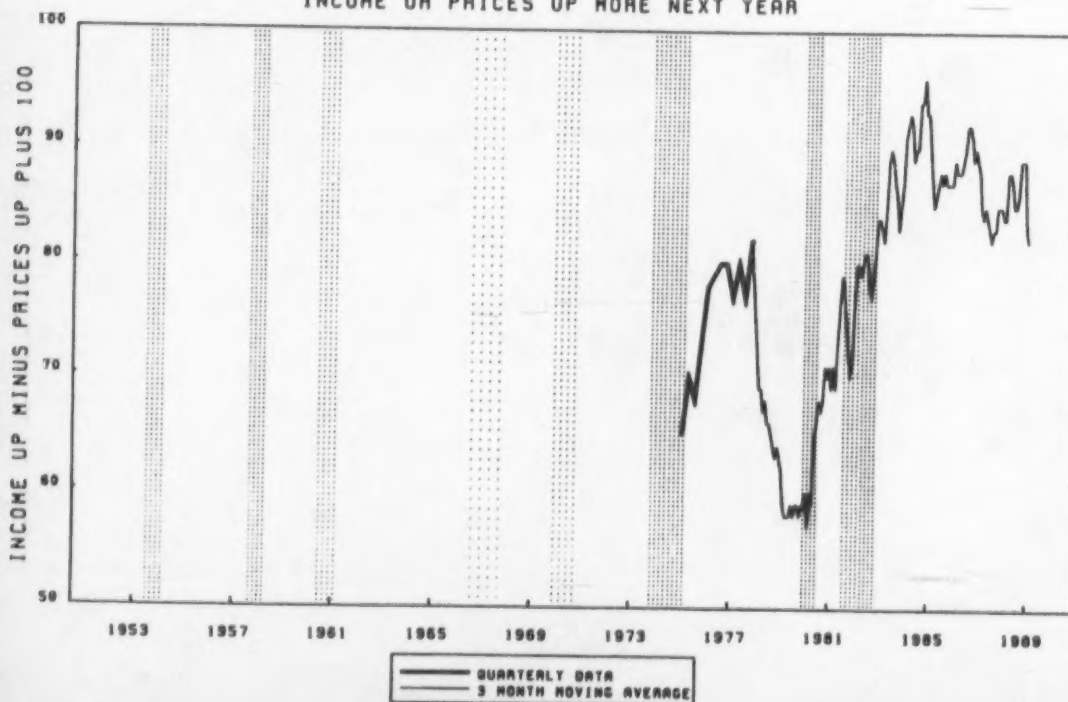


TABLE 9

EXPECTED CHANGE IN REAL FAMILY INCOME

	Jan. 1988	Feb. 1988	Mar. 1988	Apr. 1988	May 1988	June 1988	July 1988	Aug. 1988	Sept 1988	Oct. 1988	Nov. 1988	Dec. 1988	Jan. 1989
INCOME UP MORE	19%	20%	22%	19%	19%	18%	19%	20%	25%	18%	21%	17%	19%
INCOME UP SAME	44	45	44	47	44	46	46	43	41	46	43	41	41
PRICES UP MORE	35	32	31	33	34	33	34	32	31	34	33	40	37
DK,NA	2	3	3	1	3	3	1	5	3	2	3	2	3
TOTAL	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%
CASES	502	500	500	504	500	500	501	500	500	501	508	500	501

The question was: "How about the next year or two--do you expect that your (family) income will go up more than prices will go up, about the same, or less than prices will go up?"

CHART 10 - RECENT CHANGES
NEWS HEARD OF RECENT CHANGES IN BUSINESS CONDITIONS

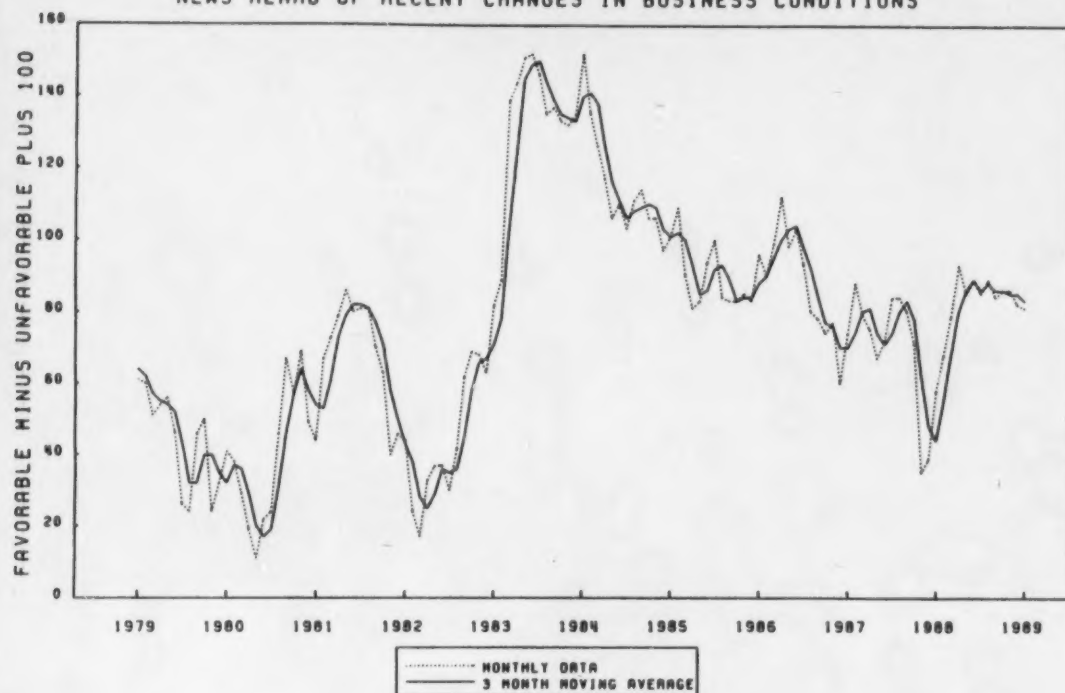


CHART 10 - HISTORICAL SERIES
NEWS HEARD OF RECENT CHANGES IN BUSINESS CONDITIONS

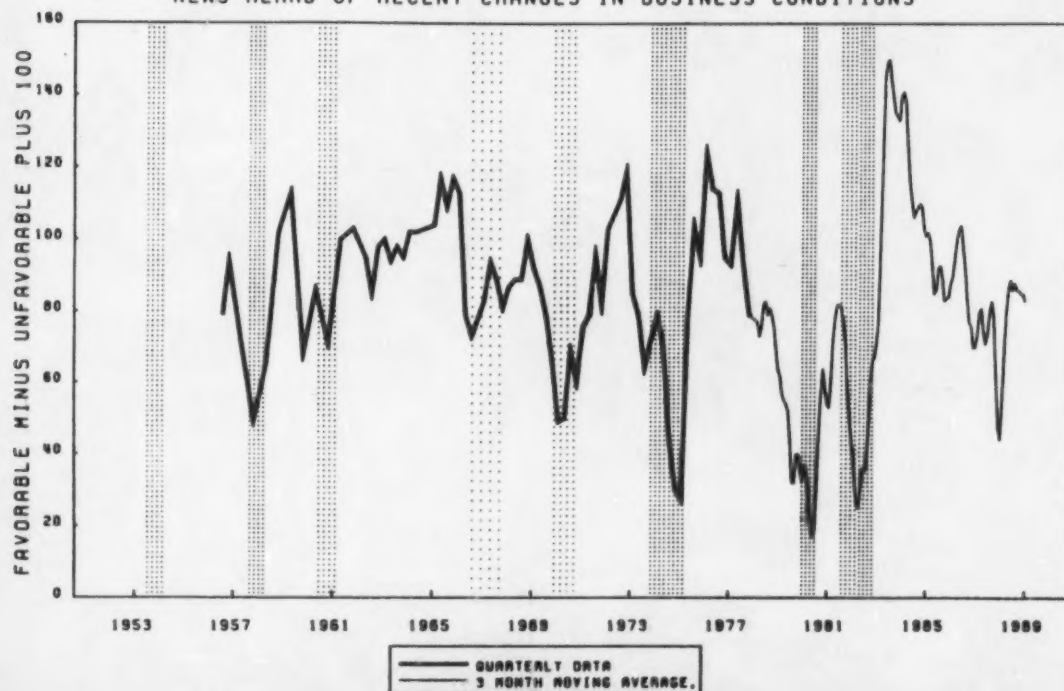


TABLE 10
NEWS HEARD OF RECENT CHANGES IN BUSINESS CONDITIONS +

	Jan. 1988	Feb. 1988	Mar. 1988	Apr. 1988	May 1988	June 1988	July 1988	Aug. 1988	Sept 1988	Oct. 1988	Nov. 1988	Dec. 1988	Jan. 1989
FAVORABLE NEWS	23%	26%	29%	30%	33%	29%	29%	28%	32%	29%	25%	30%	24%
UNFAVORABLE NEWS	65	58	50	37	48	40	44	39	48	43	39	48	43
NO MENTIONS	41	42	45	51	44	50	50	53	46	52	54	50	55

The questions were: "During the last few months, have you heard of any favorable or unfavorable changes in business conditions?" and "What did you hear?"

+ : May add to more than 100% due to multiple mentions.

CHART 11A - HISTORICAL SERIES
TYPE OF NEWS HEARD ABOUT CHANGES IN BUSINESS CONDITIONS

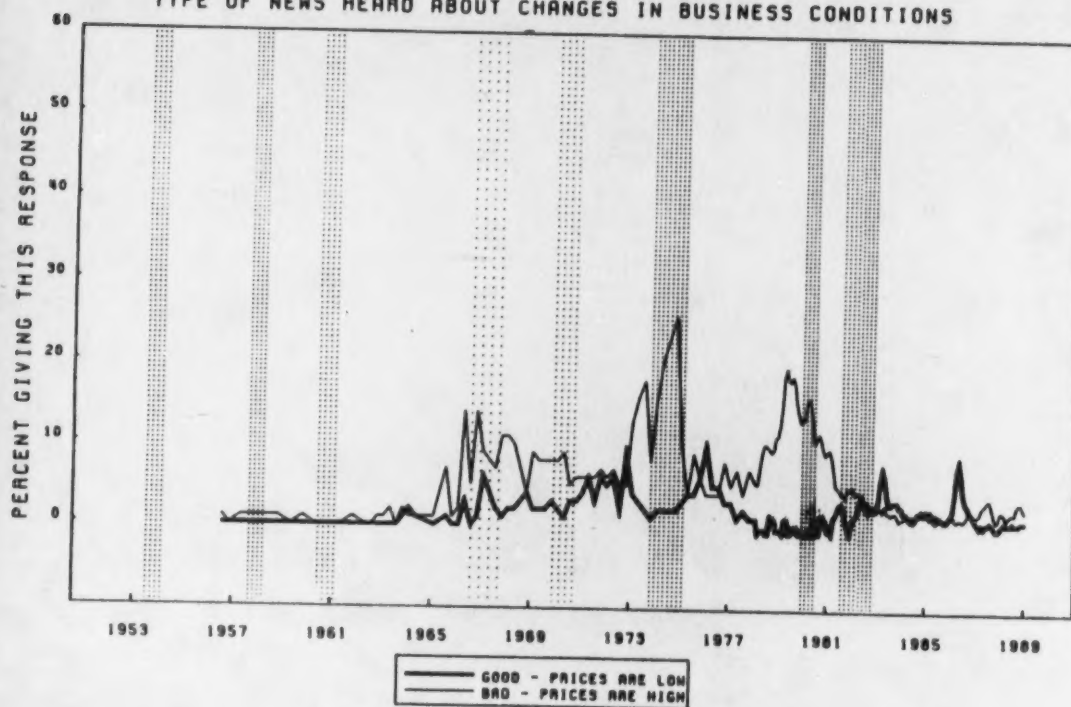


CHART 11B - HISTORICAL SERIES
TYPE OF NEWS HEARD ABOUT CHANGES IN BUSINESS CONDITIONS

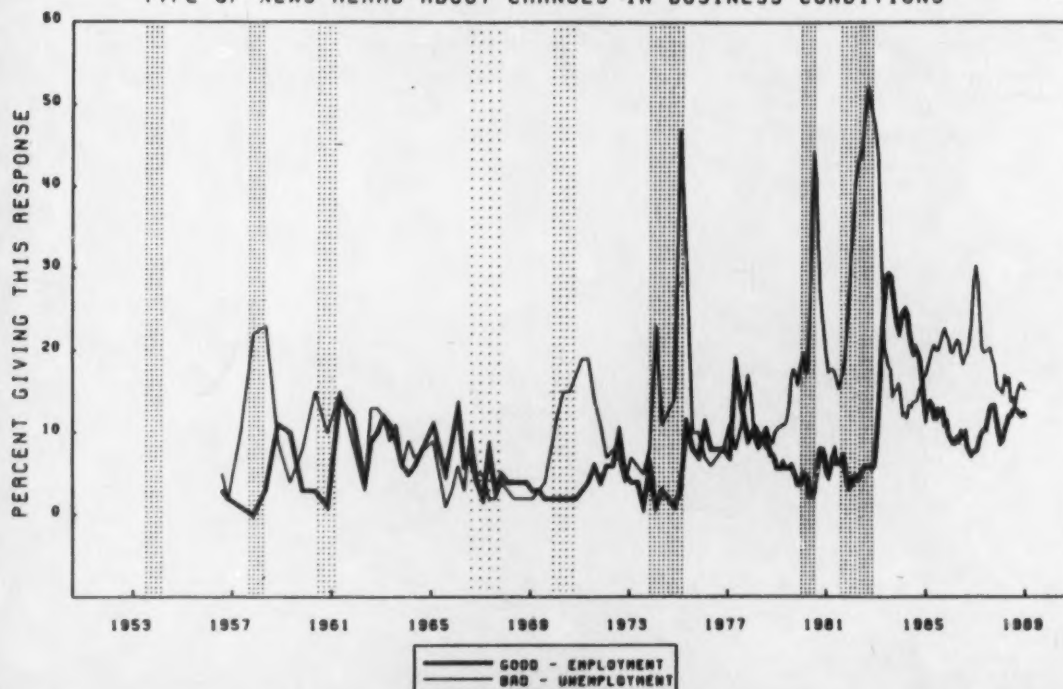


TABLE 11
SELECTED ITEMS OF
NEWS HEARD OF RECENT CHANGES IN BUSINESS CONDITIONS +

	Jan. 1988	Feb. 1988	Mar. 1988	Apr. 1988	May 1988	June 1988	July 1988	Aug. 1988	Sept 1988	Oct. 1988	Nov. 1988	Dec. 1988	Jan. 1989
FAVORABLE NEWS:													
Government; elections	1%	1%	1%	2%	3%	2%	1%	2%	3%	2%	2%	4%	2%
Employment	9	11	11	11	14	11	13	14	11	12	13	12	11
Higher consumer demand	2	1	2	1	3	1	3	2	2	2	2	2	2
Lower prices	1	1	1	*	1	1	1	*	1	1	1	1	*
Easier credit	1	4	2	2	2	1	1	1	1	1	1	1	1
Stock market	*	1	2	3	2	3	3	1	2	2	1	1	2
Trade deficit	3	2	3	2	1	2	1	1	3	2	1	1	1
UNFAVORABLE NEWS:													
Government; elections	6	6	3	5	5	6	4	3	3	5	6	7	7
Unemployment	16	13	22	12	16	13	14	12	18	17	13	16	17
Lower consumer demand	4	3	1	3	3	2	2	3	3	3	2	2	2
Higher prices	4	1	1	2	2	2	2	2	5	3	2	3	2
Tighter credit	1	2	1	1	4	3	3	7	6	4	2	6	4
Stock market	21	18	10	7	7	6	5	3	2	3	3	4	1
Trade deficit	6	4	3	3	4	3	1	2	1	1	4	2	2

The questions were: "During the last few months, have you heard of any favorable or unfavorable changes in business conditions?" and "What did you hear?"

+ : May add to more than 100% due to multiple mentions.

* : Less than half of one percent.

CHART 12 - RECENT CHANGES
CURRENT BUSINESS CONDITIONS COMPARED WITH A YEAR AGO

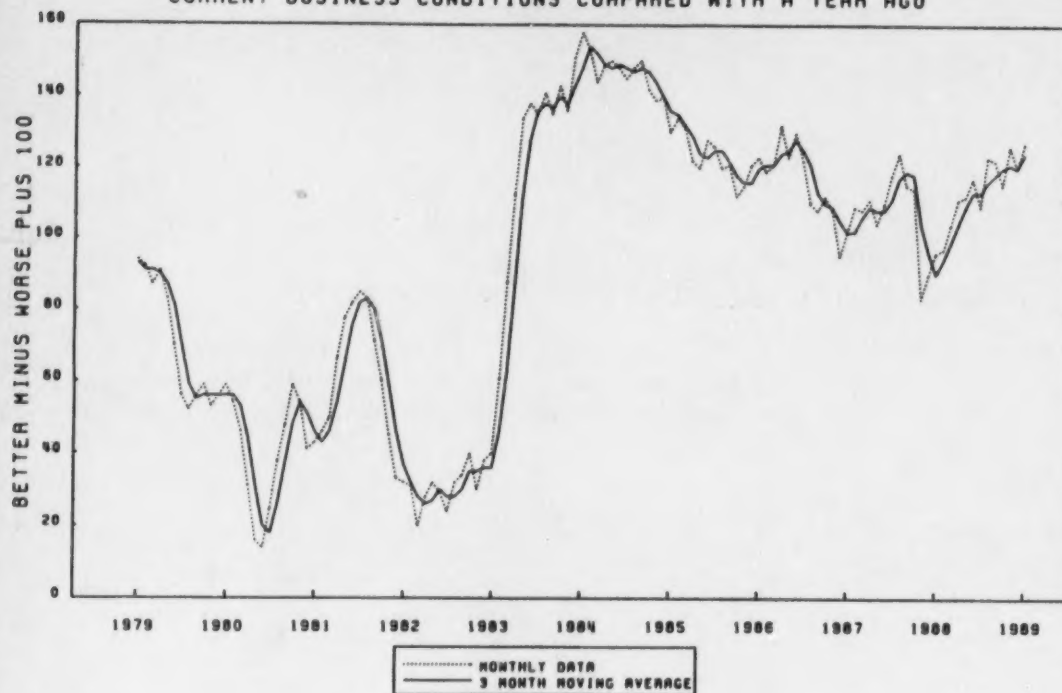


CHART 12 - HISTORICAL SERIES
CURRENT BUSINESS CONDITIONS COMPARED WITH A YEAR AGO

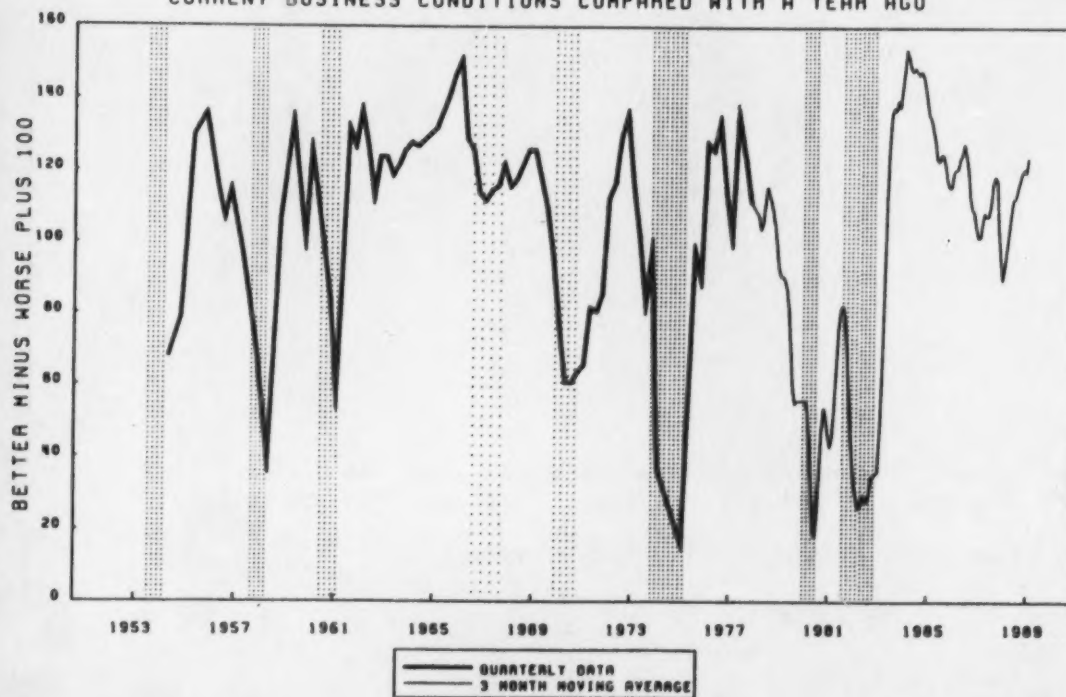


TABLE 12

CURRENT BUSINESS CONDITIONS COMPARED TO A YEAR AGO

	Jan. 1988	Feb. 1988	Mar. 1988	Apr. 1988	May 1988	June 1988	July 1988	Aug. 1988	Sept 1988	Oct. 1988	Nov. 1988	Dec. 1988	Jan. 1989
BETTER NOW	40%	41%	40%	47%	47%	47%	45%	51%	50%	46%	54%	49%	53%
SAME	14	13	21	14	17	21	15	18	20	21	17	20	19
WORSE NOW	44	44	36	36	35	30	36	28	28	31	28	29	26
DK,NA	2	2	3	3	1	2	4	3	2	2	1	2	2
TOTAL	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%
CASES	502	500	500	504	500	500	501	500	500	501	508	500	501

The question was: "Would you say that at the present time business conditions are better or worse than they were a year ago?"

CHART 13 - RECENT CHANGES
EXPECTED CHANGE IN BUSINESS CONDITIONS IN A YEAR

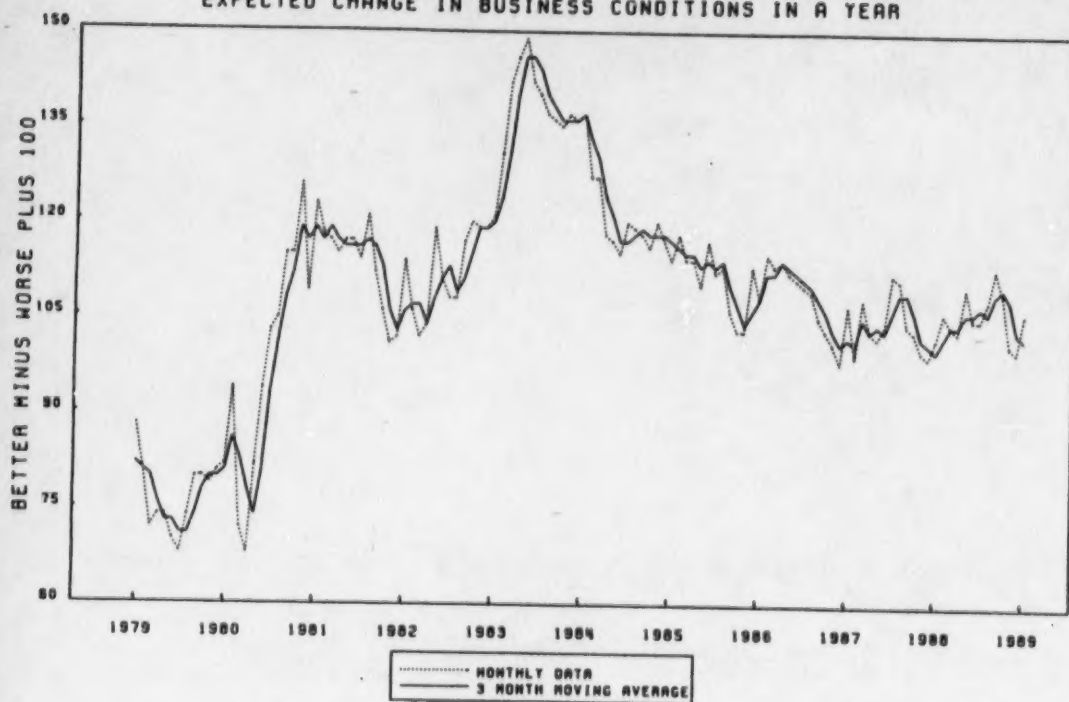


CHART 13 - HISTORICAL SERIES
EXPECTED CHANGE IN BUSINESS CONDITIONS IN A YEAR

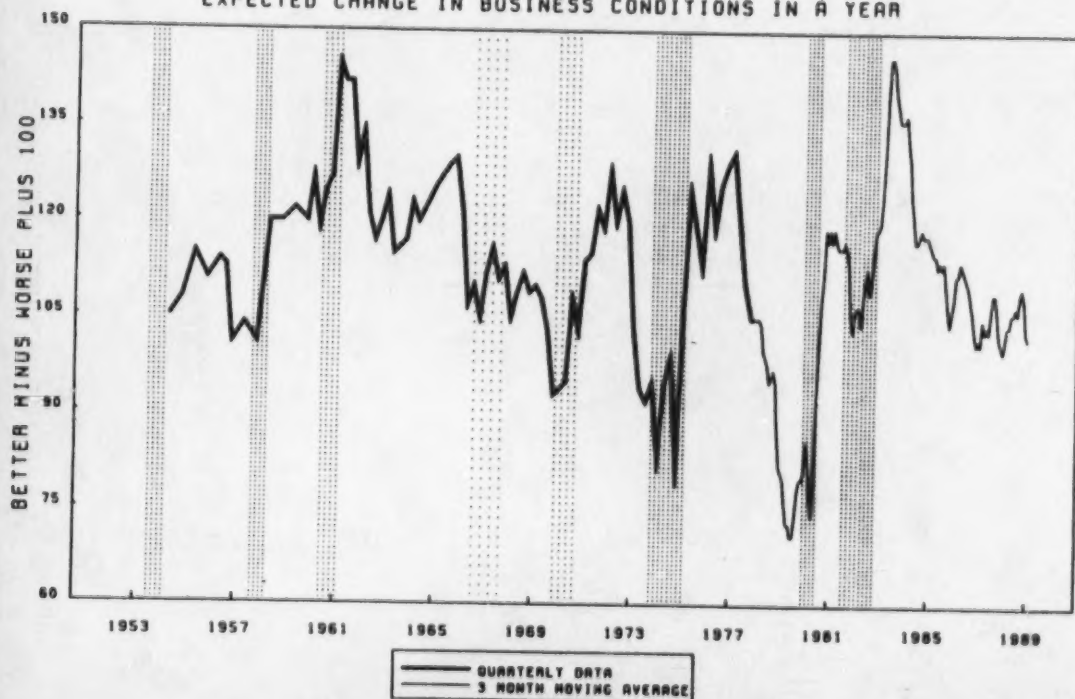


TABLE 13
EXPECTED CHANGE IN BUSINESS CONDITIONS IN A YEAR

	Jan. 1988	Feb. 1988	Mar. 1988	Apr. 1988	May 1988	June 1988	July 1988	Aug. 1988	Sept 1988	Oct. 1988	Nov. 1988	Dec. 1988	Jan. 1989
BETTER	21%	23%	21%	21%	26%	24%	23%	24%	27%	23%	19%	19%	23%
SAME	58	58	58	57	53	54	53	54	55	59	60	59	56
WORSE	19	17	17	18	16	19	18	16	14	14	18	19	17
DK,NA	2	2	4	4	5	3	6	6	4	4	3	3	4
TOTAL	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%
CASES	502	500	500	504	500	500	501	500	500	501	508	500	501

The question was: "And how about a year from now, do you expect that in the country as a whole business conditions will be better, or worse than they are at present, or just about the same?"

CHART 14 - RECENT CHANGES
TREND IN PAST AND EXPECTED BUSINESS CONDITIONS

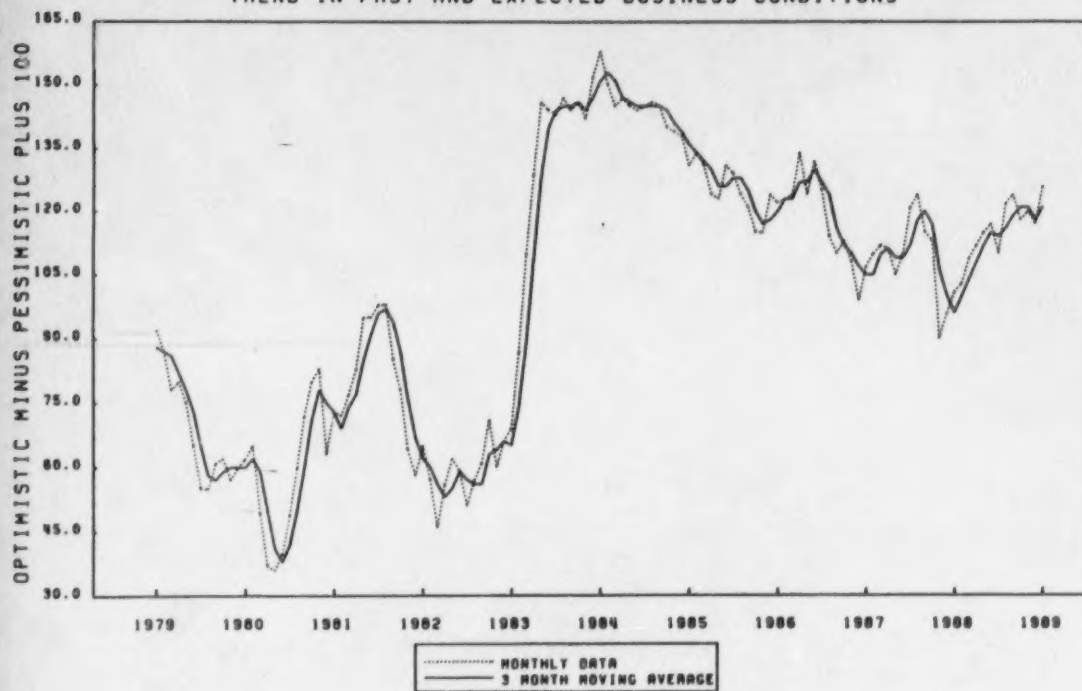


CHART 14 - HISTORICAL SERIES
TREND IN PAST AND EXPECTED BUSINESS CONDITIONS

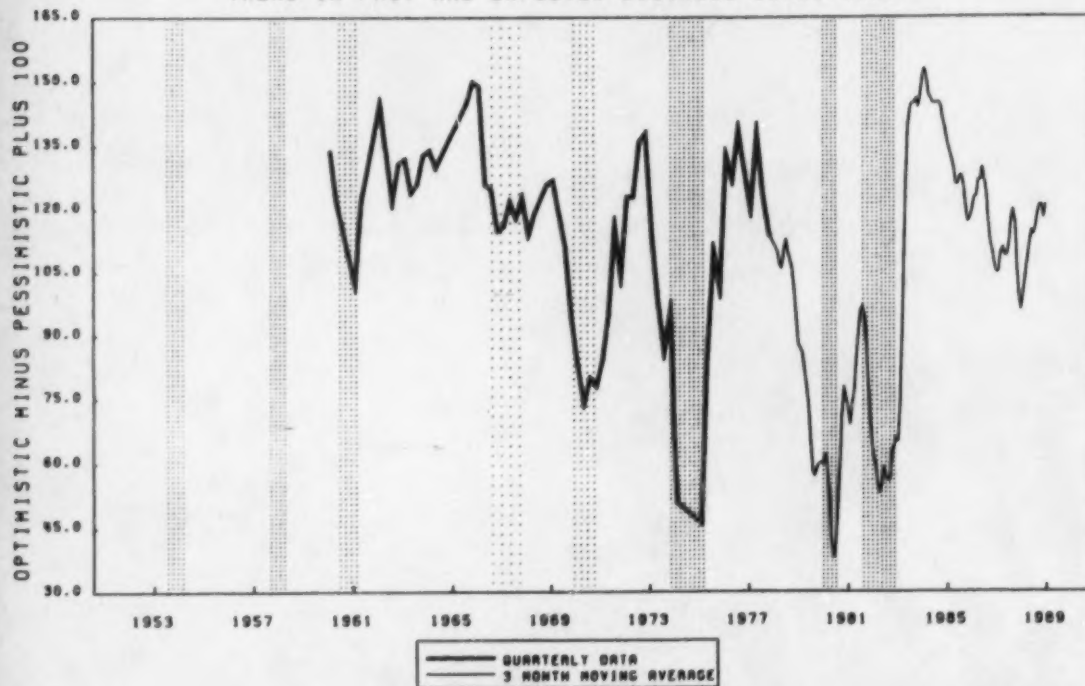


TABLE 14

TREND IN PAST AND EXPECTED CHANGES IN BUSINESS CONDITIONS

	Jan. 1988	Feb. 1988	Mar. 1988	Apr. 1988	May 1988	June 1988	July 1988	Aug. 1988	Sept 1988	Oct. 1988	Nov. 1988	Dec. 1988	Jan. 1989
TREND:													
Continuous increase (a)	11%	12%	10%	14%	16%	15%	12%	18%	18%	15%	13%	10%	16%
Intermittant increase (b)	29	27	30	30	29	30	28	29	31	31	35	35	34
Remain unchanged (c)	8	10	12	9	9	13	9	11	11	13	10	12	11
Intermittant decline (d)	25	24	21	20	20	18	20	17	19	19	21	19	16
Continuous decline (e)	14	12	10	12	10	10	10	8	6	9	7	9	8
Mixed change (f)	10	11	11	9	11	10	12	8	9	7	10	10	9
DK,NA	3	4	6	6	5	4	9	9	6	6	4	5	6
TOTAL	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%
CASES	502	500	500	504	500	500	501	500	500	501	508	500	501

Combination of the responses to the questions on Tables 12 and 13.

- Key: (a) Better than a year ago/Better a year from now
 (b) Better/Same or Same/Better
 (c) Same/Same
 (d) Worse/Same or Same/Worse
 (e) Worse/Worse
 (f) Worse/Better or Better/Worse

CHART 15 - RECENT CHANGES
BUSINESS CONDITIONS EXPECTED DURING THE NEXT TWELVE MONTHS



CHART 15 - HISTORICAL SERIES
BUSINESS CONDITIONS EXPECTED DURING THE NEXT TWELVE MONTHS

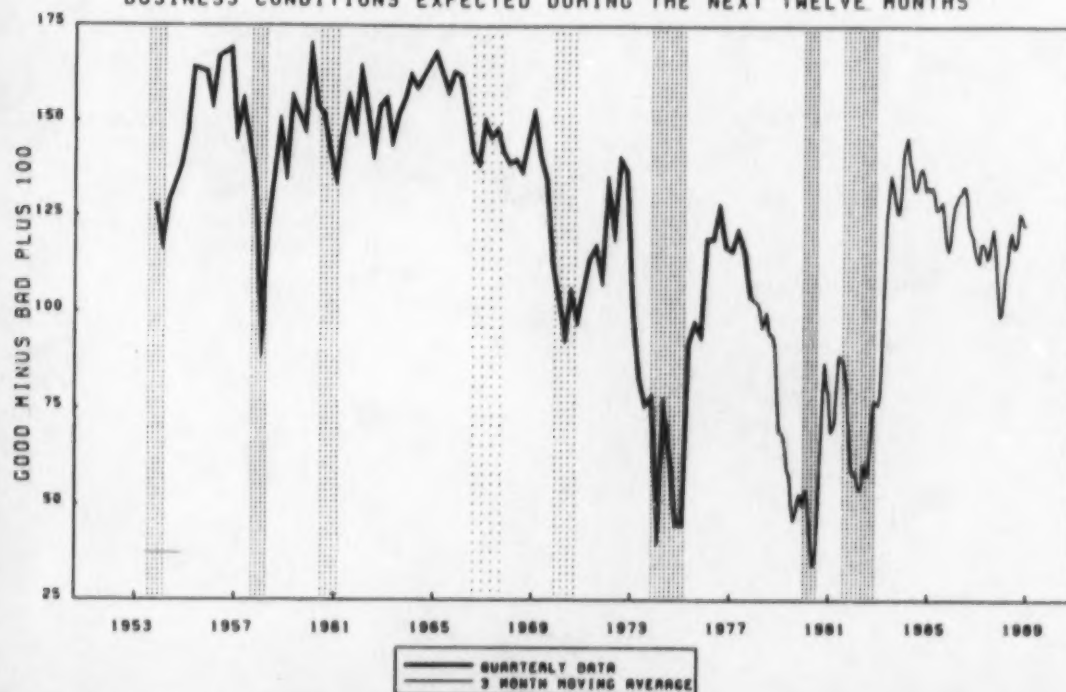


TABLE 15
BUSINESS CONDITIONS EXPECTED DURING THE NEXT 12 MONTHS

	Jan. 1988	Feb. 1988	Mar. 1988	Apr. 1988	May 1988	June 1988	July 1988	Aug. 1988	Sept 1988	Oct. 1988	Nov. 1988	Dec. 1988	Jan. 1989
GOOD TIMES	47%	45%	47%	50%	54%	54%	44%	52%	53%	54%	<u>53%</u>	52%	56%
UNCERTAIN; GOOD & BAD	4	4	4	4	4	3	4	4	5	7	4	5	4
BAD TIMES	37	37	33	33	29	33	38	27	28	25	31	33	28
DON'T KNOW	7	7	7	9	8	6	9	11	9	8	7	5	7
NOT ASCERTAINED	5	7	9	4	5	4	5	6	5	6	5	5	5
TOTAL	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%
CASES	502	500	500	504	500	500	501	500	500	501	508	500	501

The question was: "Now turning to business conditions in the country as a whole--do you think that during the next 12 months we'll have good times financially, or bad times or what?"

CHART 16 - RECENT CHANGES
BUSINESS CONDITIONS EXPECTED FOR THE NEXT FIVE YEARS



CHART 16 - HISTORICAL SERIES
BUSINESS CONDITIONS EXPECTED FOR THE NEXT FIVE YEARS

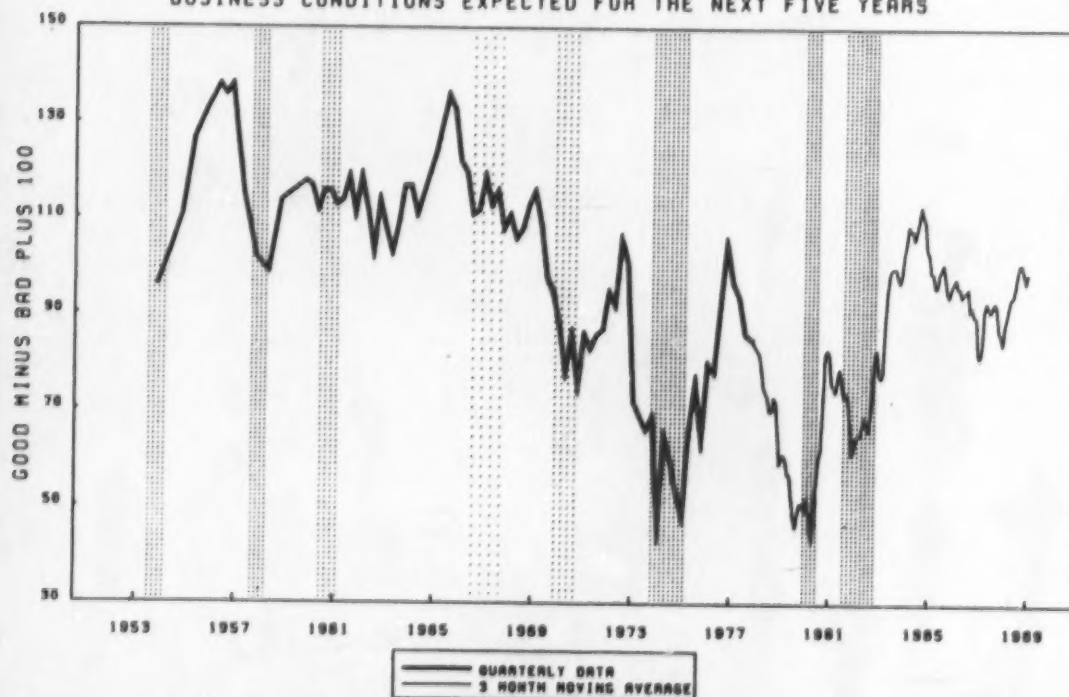


TABLE 16

BUSINESS CONDITIONS EXPECTED DURING THE NEXT FIVE YEARS

	Jan. 1988	Feb. 1988	Mar. 1988	Apr. 1988	May 1988	June 1988	July 1988	Aug. 1988	Sept 1988	Oct. 1988	Nov. 1988	Dec. 1988	Jan. 1989
GOOD TIMES	34%	35%	39%	36%	41%	36%	39%	43%	41%	40%	40%	41%	45%
UNCERTAIN; GOOD & BAD	12	15	14	15	13	16	11	16	17	12	14	12	9
BAD TIMES	50	45	43	47	43	41	43	38	39	43	43	43	42
NOT ASCERTAINED	4	5	4	2	3	7	7	3	3	5	3	4	4
TOTAL	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%
CASES	502	500	500	504	500	500	501	500	500	501	508	500	501

The question was: "Looking ahead, which would you say is more likely--that in the country as a whole we'll have continuous good times during the next 5 years or so, or that we will have periods of widespread unemployment or depression, or what?"

CHART 17 - RECENT CHANGES
EXPECTED CHANGE IN UNEMPLOYMENT



CHART 17 - HISTORICAL SERIES
EXPECTED CHANGE IN UNEMPLOYMENT

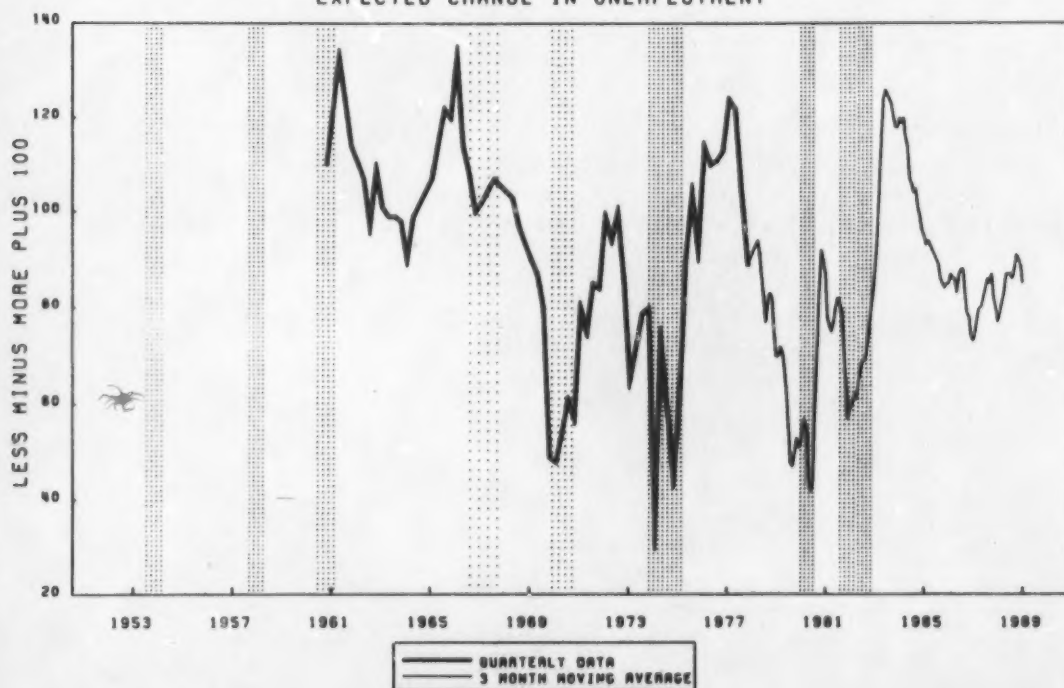


TABLE 17

EXPECTED CHANGE IN UNEMPLOYMENT

	Jan. 1988	Feb. 1988	Mar. 1988	Apr. 1988	May 1988	June 1988	July 1988	Aug. 1988	Sept 1988	Oct. 1988	Nov. 1988	Dec. 1988	Jan. 1989
LESS	12%	12%	12%	14%	11%	15%	15%	15%	17%	16%	14%	15%	15%
SAME	54	53	58	56	67	53	54	53	52	60	57	55	50
MORE	33	33	28	28	21	31	29	27	27	22	27	28	34
DK,NA	1	2	2	2	1	1	2	5	4	2	2	2	1
TOTAL	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%
CASES	502	500	500	504	500	500	501	500	500	501	508	500	501

The question was: "How about people out of work during the coming 12 months--do you think that there will be more unemployment than now, about the same, or less?"

CHART 18 - RECENT CHANGES
EXPECTED CHANGE IN INTEREST RATES

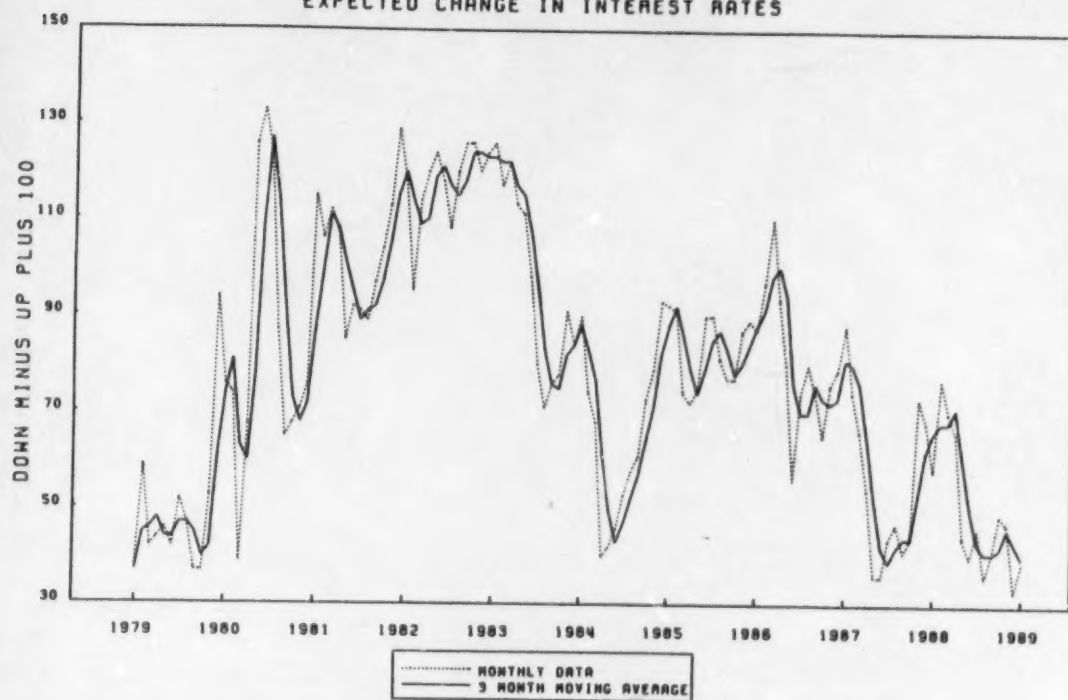


CHART 18 - HISTORICAL SERIES
EXPECTED CHANGE IN INTEREST RATES

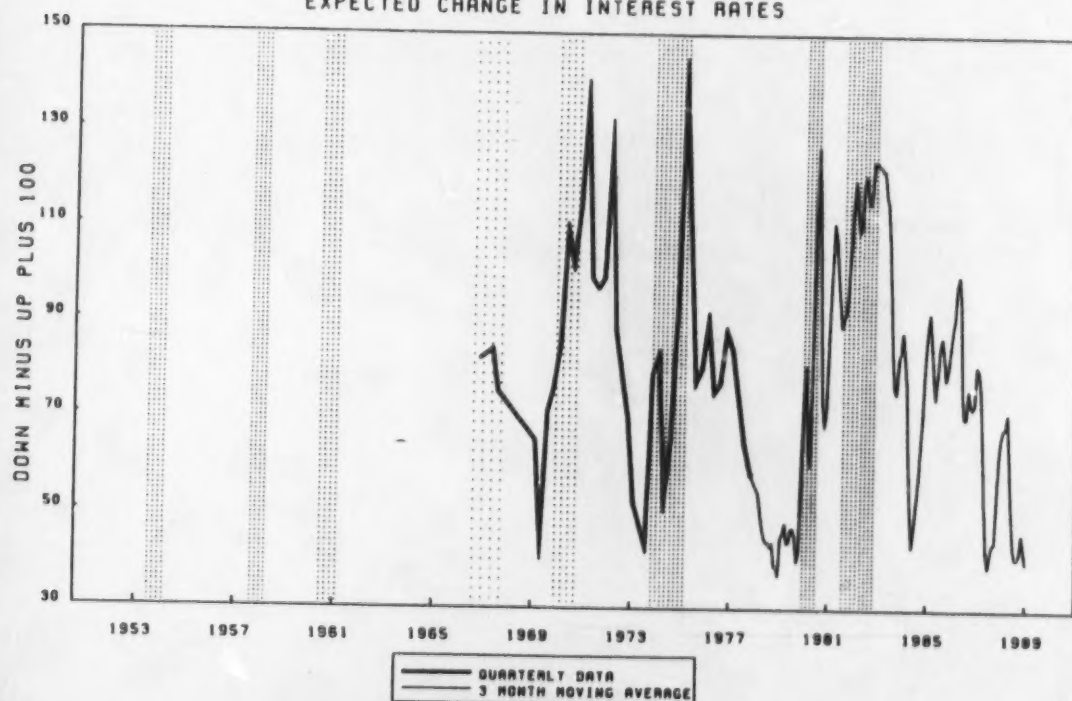


TABLE 18

EXPECTED CHANGE IN INTEREST RATES

	Jan. 1988	Feb. 1988	Mar. 1988	Apr. 1988	May 1988	June 1988	July 1988	Aug. 1988	Sept 1988	Oct. 1988	Nov. 1988	Dec. 1988	Jan. 1989
GO UP	54%	44%	49%	48%	64%	67%	65%	71%	67%	62%	62%	74%	68%
STAY THE SAME	32	32	29	35	26	24	22	19	21	24	27	16	23
GO DOWN	12	21	19	14	8	7	11	7	8	11	9	7	7
DK,NA	2	3	3	3	2	2	2	3	4	3	2	3	2
TOTAL	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%
CASES	502	500	500	504	500	500	501	500	500	501	508	500	501

The question was: "No one can say for sure, but what do you think will happen to interest rates for borrowing money during the next 12 months--will they go up, stay the same, or go down?"

CHART 13 - RECENT CHANGES
MEAN EXPECTED PRICE INCREASE OVER THE NEXT 12 MONTHS

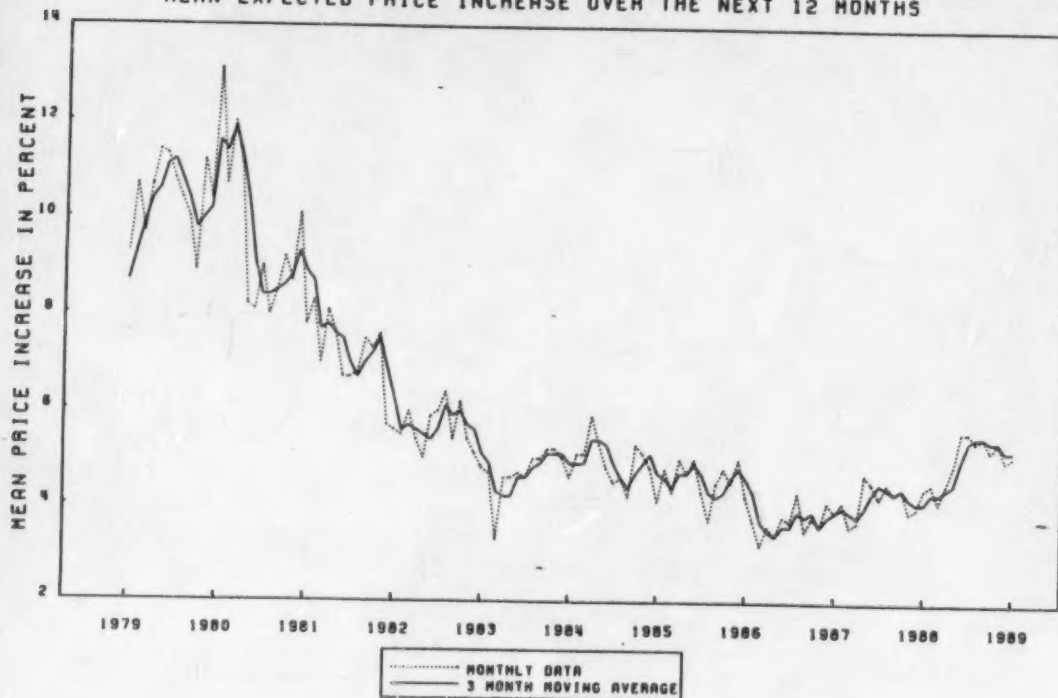


CHART 19 - HISTORICAL SERIES
MEAN EXPECTED PRICE INCREASE OVER THE NEXT 12 MONTHS

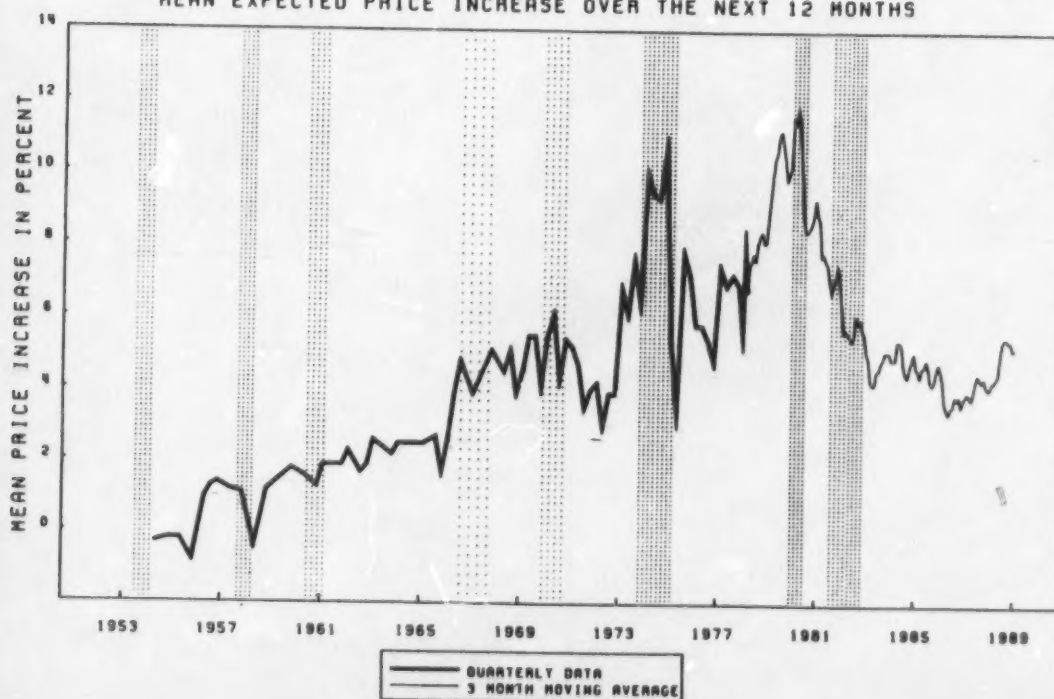


TABLE 19
EXPECTED CHANGE IN PRICES DURING THE NEXT 12 MONTHS

	Jan. 1988	Feb. 1988	Mar. 1988	Apr. 1988	May 1988	June 1988	July 1988	Aug. 1988	Sept 1988	Oct. 1988	Nov. 1988	Dec. 1988	Jan. 1989
SAME OR DOWN	23%	17%	18%	14%	13%	13%	8%	8%	8%	9%	11%	10%	10%
WILL GO UP BY:													
1-2%	16	21	19	19	19	18	15	15	16	20	15	16	20
3-4%	21	23	24	25	26	20	23	23	25	21	28	26	23
5%	17	16	19	18	18	20	19	22	21	20	18	20	19
6-9%	6	6	6	7	7	8	12	9	10	8	8	8	9
10-14%	7	7	6	7	6	9	12	8	7	9	9	11	7
15% or more	6	5	3	4	6	6	6	6	6	5	5	4	6
DK how much up	3	4	5	5	4	5	5	8	6	6	5	4	5
DK,NA	1	1	*	1	1	1	*	1	1	2	1	1	1
TOTAL	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%
MEAN INCREASE	4.4	4.5	4.1	4.5	4.9	5.6	5.6	5.4	5.5	5.2	5.4	5.0	5.1
VARIANCE	35	40	26	31	41	60	37	38	52	40	55	32	41
CASES	502	500	500	504	500	500	501	500	500	501	508	500	501

The questions were: "During the next 12 months, do you think that prices in general will go up, or go down, or stay where they are now?" and "By about what percent do you expect prices to go up, on the average, during the next 12 months?"

* : Less than half of one percent.

CHART 20 - RECENT CHANGES
OPINIONS ABOUT THE GOVERNMENT'S ECONOMIC POLICY



CHART 20 - HISTORICAL SERIES
OPINIONS ABOUT THE GOVERNMENT'S ECONOMIC POLICY

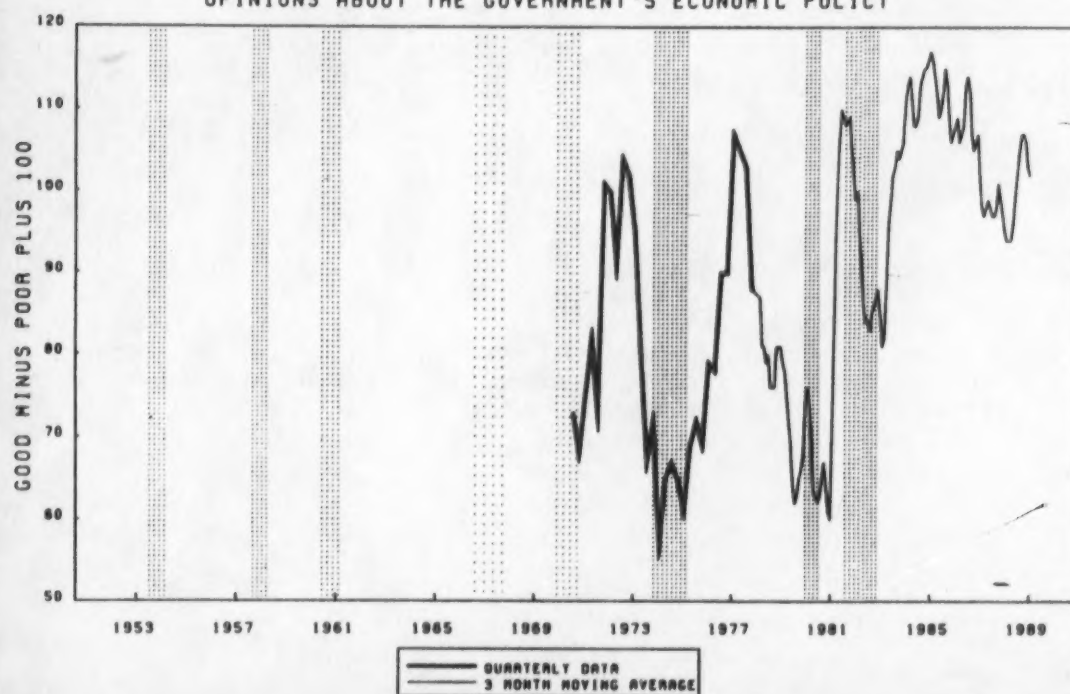


TABLE 20

OPINIONS ABOUT THE GOVERNMENT'S ECONOMIC POLICY

	Jan. 1988	Feb. 1988	Mar. 1988	Apr. 1988	May 1988	June 1988	July 1988	Aug. 1988	Sept 1988	Oct. 1988	Nov. 1988	Dec. 1988	Jan. 1989
A GOOD JOB	17%	18%	23%	18%	21%	23%	25%	28%	29%	26%	27%	20%	27%
ONLY FAIR	60	53	49	56	56	57	51	48	49	51	49	57	48
A POOR JOB	22	27	26	25	22	19	21	21	20	20	23	21	24
DK,NA	1	2	2	1	1	1	3	3	2	3	1	2	1
TOTAL	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%
CASES	502	500	500	504	500	500	501	500	500	501	508	500	501

The question was: "As to the economic policy of the government--I mean steps taken to fight inflation or unemployment--would you say the government is doing a good job, only fair, or a poor job?"

CHART 21 - RECENT CHANGES
BUYING CONDITIONS FOR LARGE HOUSEHOLD GOODS

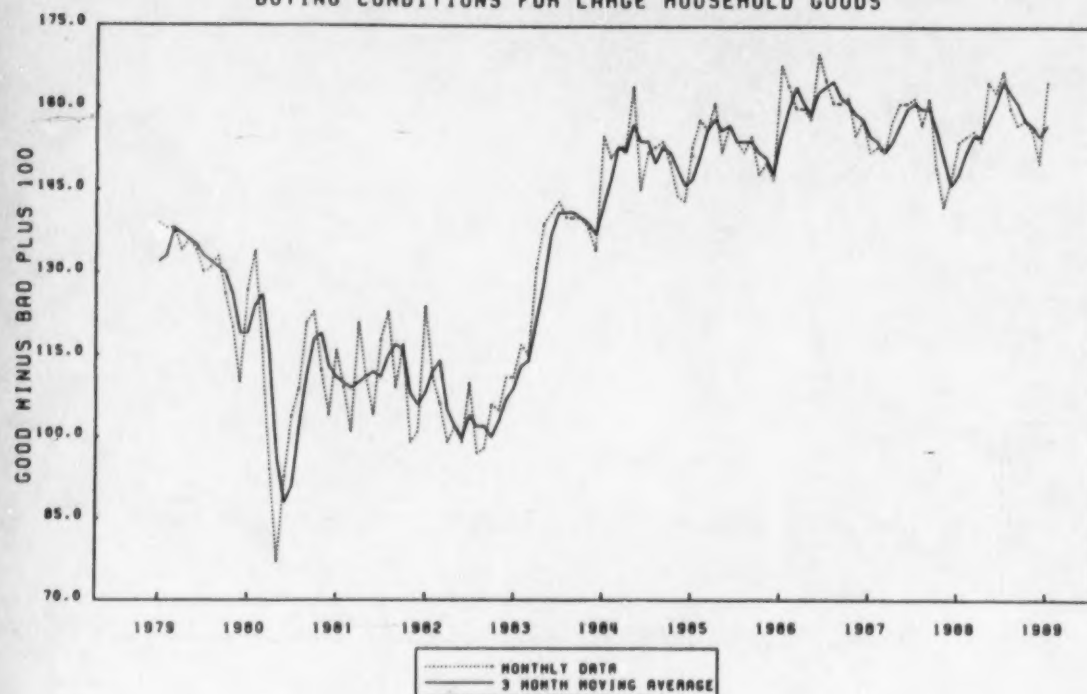


CHART 21 - HISTORICAL SERIES
BUYING CONDITIONS FOR LARGE HOUSEHOLD GOODS

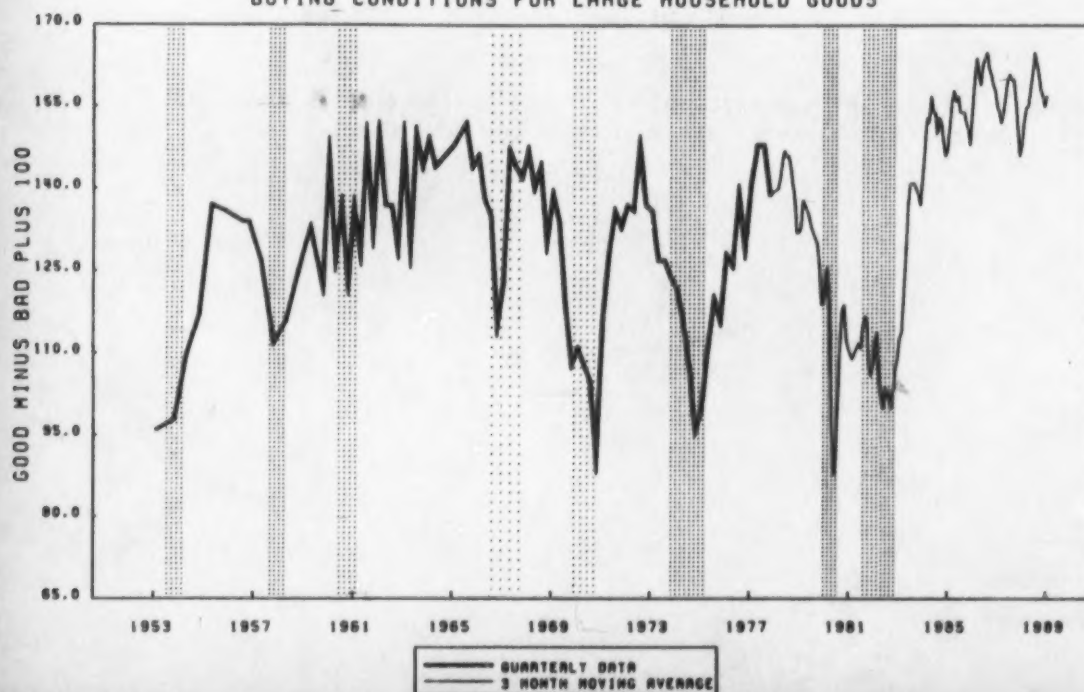


TABLE 21

BUYING CONDITIONS FOR LARGE HOUSEHOLD GOODS

	Jan. 1988	Feb. 1988	Mar. 1988	Apr. 1988	May 1988	June 1988	July 1988	Aug. 1988	Sept 1988	Oct. 1988	Nov. 1988	Dec. 1988	Jan. 1989
GOOD TIME TO BUY	72%	72%	71%	73%	79%	74%	79%	74%	71%	73%	73%	70%	78%
UNCERTAIN, DEPENDS	10	11	14	8	7	15	9	12	15	12	10	10	9
BAD TIME TO BUY	18	17	15	19	14	11	12	14	14	15	17	20	13
TOTAL	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%
CASES	502	500	500	504	500	500	501	500	500	501	508	500	501

The question was: "About the big things people buy for their homes--such as furniture, a refrigerator, stove, television, and things like that. Generally speaking, do you think now is a good or a bad time for people to buy major household items?"

CHART 22A - HISTORICAL SERIES
REASONS FOR OPINIONS ABOUT BUYING CONDITIONS FOR DURABLES

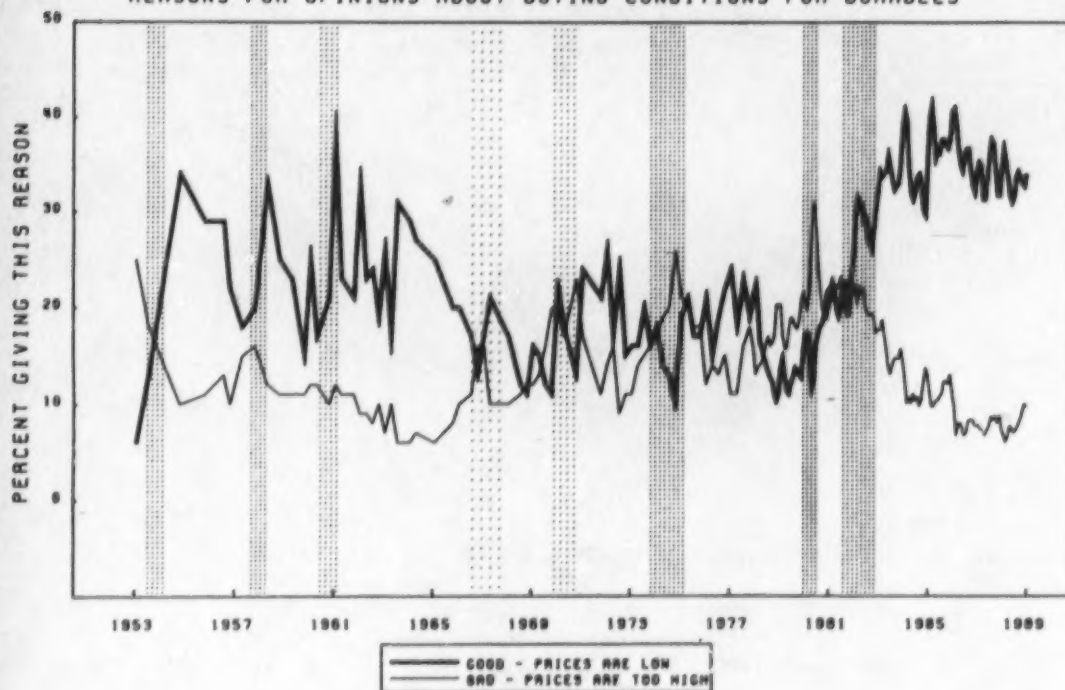


CHART 22B - HISTORICAL SERIES
REASONS FOR OPINIONS ABOUT BUYING CONDITIONS FOR DURABLES

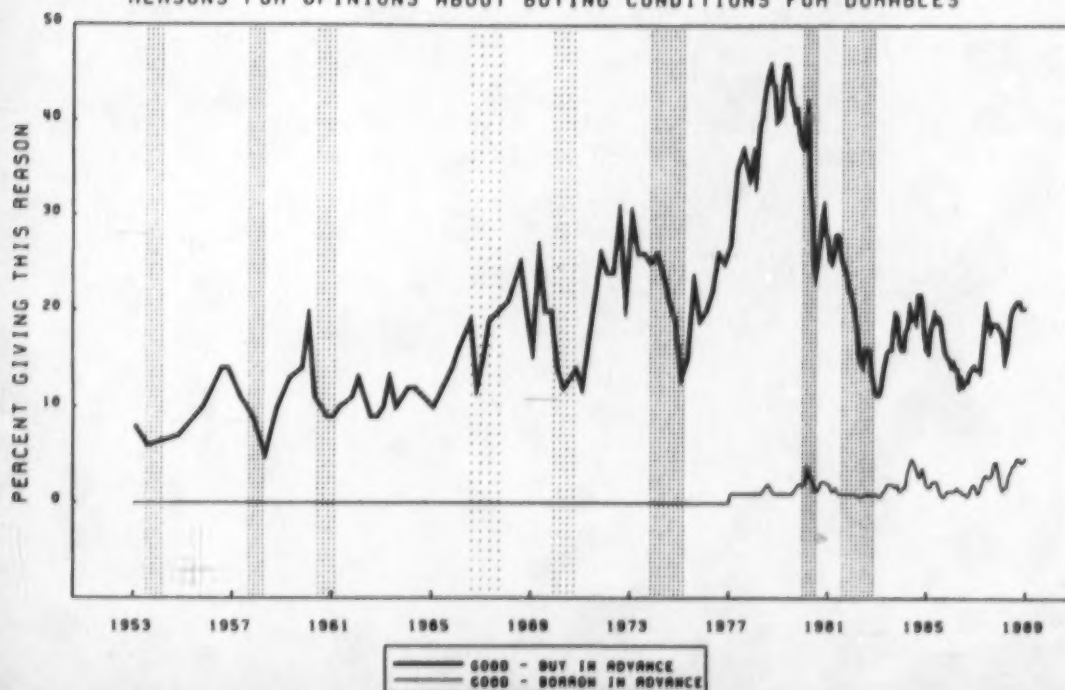


TABLE 22

SELECTED REASONS FOR OPINIONS ABOUT BUYING CONDITIONS FOR LARGE HOUSEHOLD GOODS +

	Jan. 1988	Feb. 1988	Mar. 1988	Apr. 1988	May 1988	June 1988	July 1988	Aug. 1988	Sept 1988	Oct. 1988	Nov. 1988	Dec. 1988	Jan. 1989
GOOD TIME TO BUY:													
Prices are low; good buys available	37%	36%	33%	32%	30%	31%	34%	36%	33%	32%	34%	32%	36%
Prices won't come down; are going higher	16	14	15	19	20	20	21	21	21	21	19	21	21
Interest rates are low	6	8	10	9	6	8	7	7	7	7	8	4	5
Borrow-in-advance of rising interest rates	2	1	2	2	5	3	4	5	5	4	4	5	5
Times are good; prosperity	6	7	8	10	7	7	10	7	5	8	5	7	7
BAD TIME TO BUY:													
Prices are high	5	5	8	7	8	7	6	9	8	8	11	11	7
Interest rates are high; credit is tight	4	5	4	4	4	2	2	3	3	4	3	5	2
Times are bad; can't afford to buy	8	6	5	6	3	2	3	3	2	4	3	3	4
Bad times ahead; uncertain future	4	4	2	4	2	1	3	3	3	2	1	3	3

Responses to the query: "Why do you say so?" following the question on Table 21.

+ : May add to more than 100% due to multiple mentions.

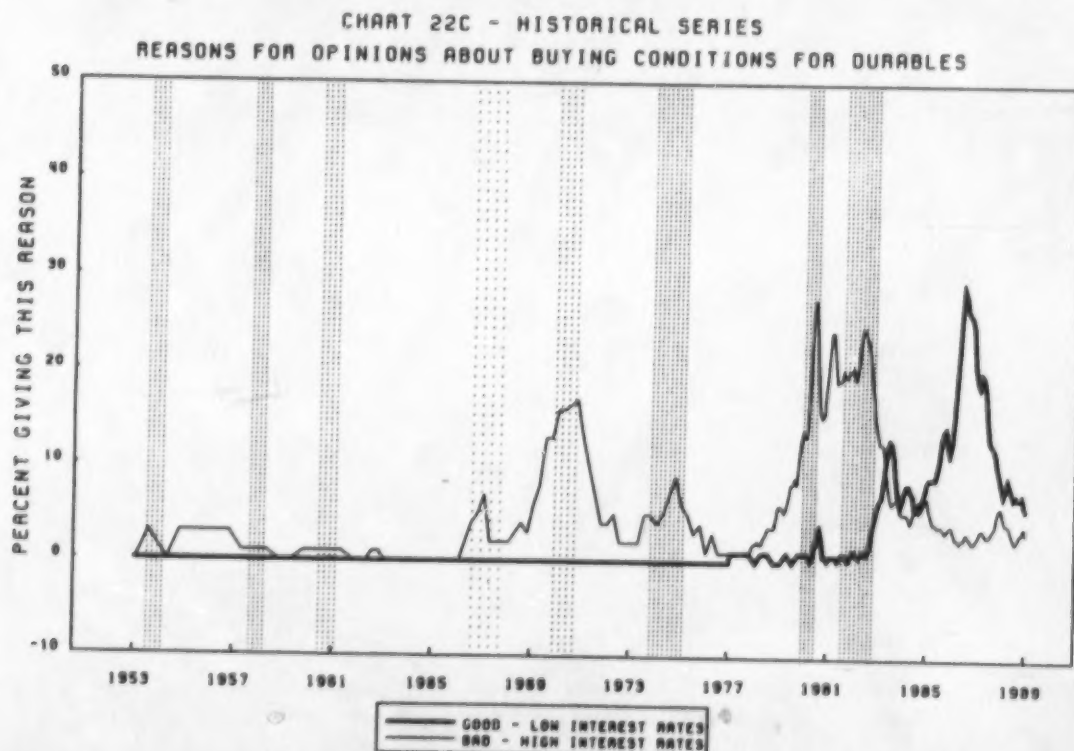


CHART 23 - RECENT CHANGES
BUYING CONDITIONS FOR HOUSES

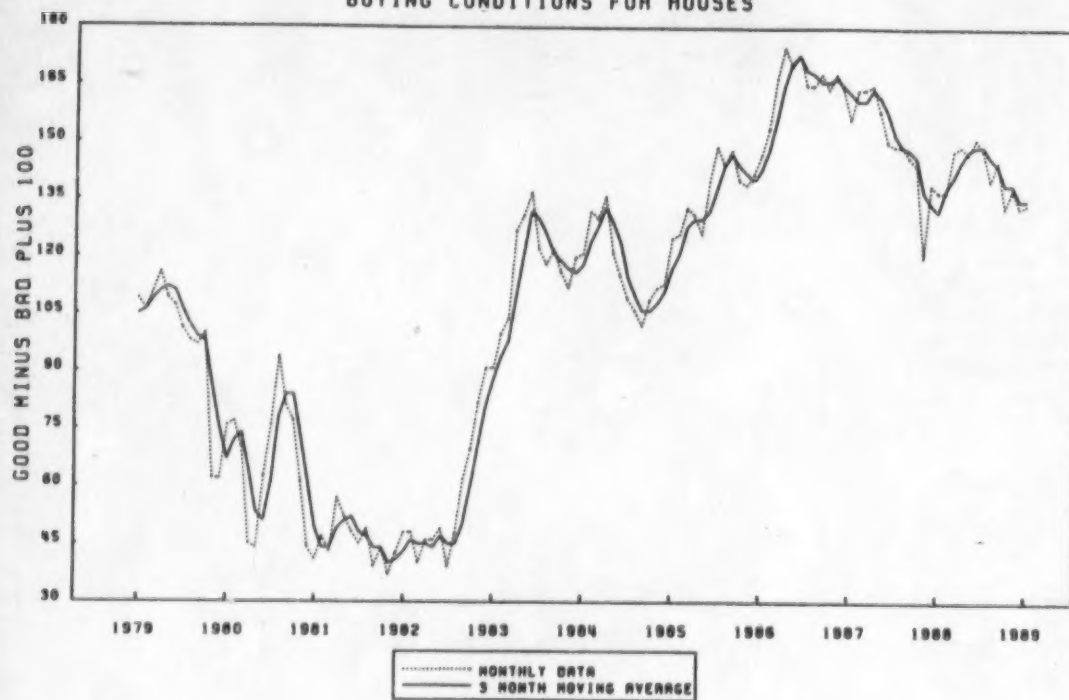


CHART 23 - HISTORICAL SERIES
BUYING CONDITIONS FOR HOUSES

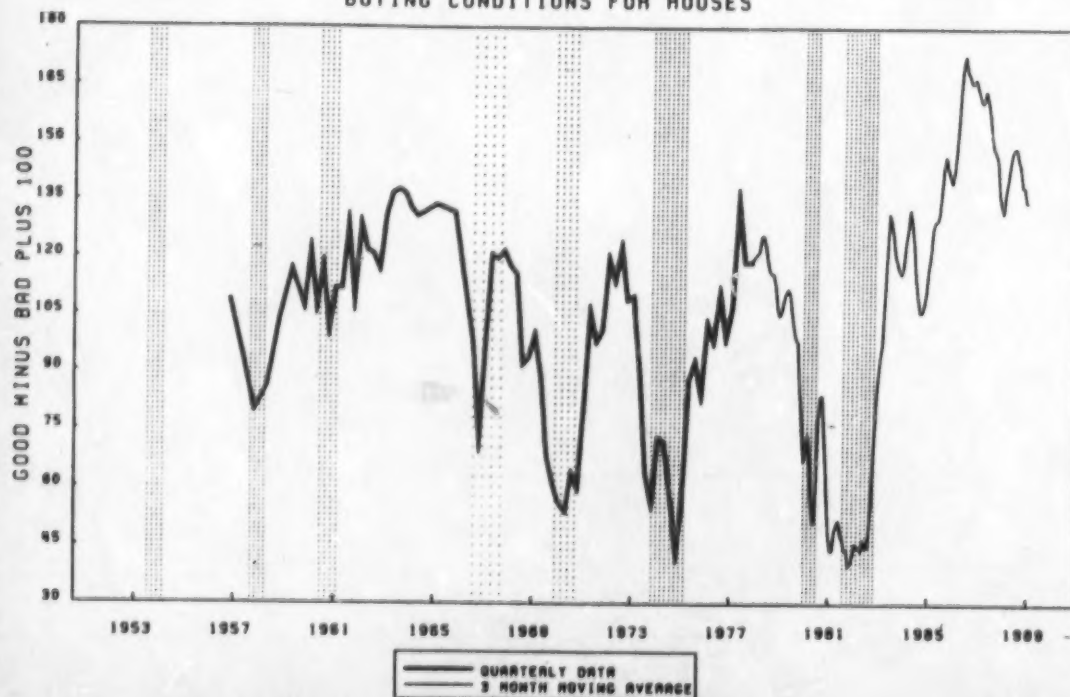


TABLE 23
BUYING CONDITIONS FOR HOUSES

	Jan. 1988	Feb. 1988	Mar. 1988	Apr. 1988	May 1988	June 1988	July 1988	Aug. 1988	Sept 1988	Oct. 1988	Nov. 1988	Dec. 1988	Jan. 1989
GOOD TIME TO BUY	67%	67%	71%	72%	72%	73%	72%	67%	70%	64%	67%	63%	64%
UNCERTAIN, DEPENDS	3	3	6	5	3	5	4	6	5	5	4	7	6
BAD TIME TO BUY	30	30	23	23	25	22	24	27	25	31	29	30	30
TOTAL	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%
CASES	502	500	500	504	500	500	501	500	500	501	508	500	501

The question was: "Generally speaking, do you think now is a good time or a bad time to buy a house?"

CHART 24A - HISTORICAL SERIES
REASONS FOR OPINIONS ABOUT BUYING CONDITIONS FOR HOUSES

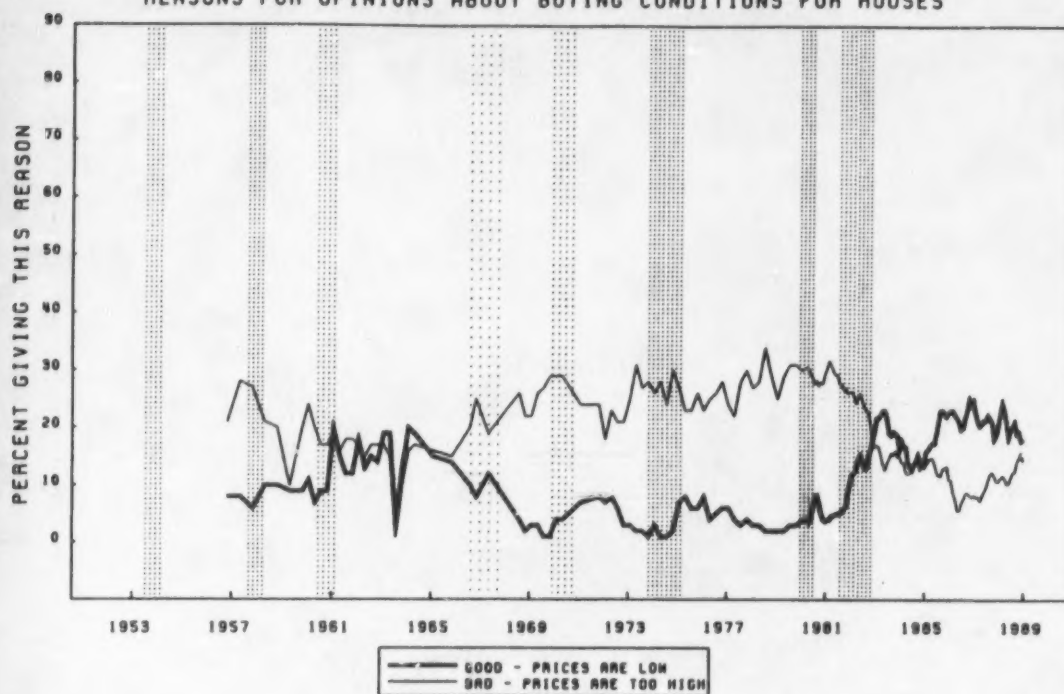


CHART 24B - HISTORICAL SERIES
REASONS FOR OPINIONS ABOUT BUYING CONDITIONS FOR HOUSES

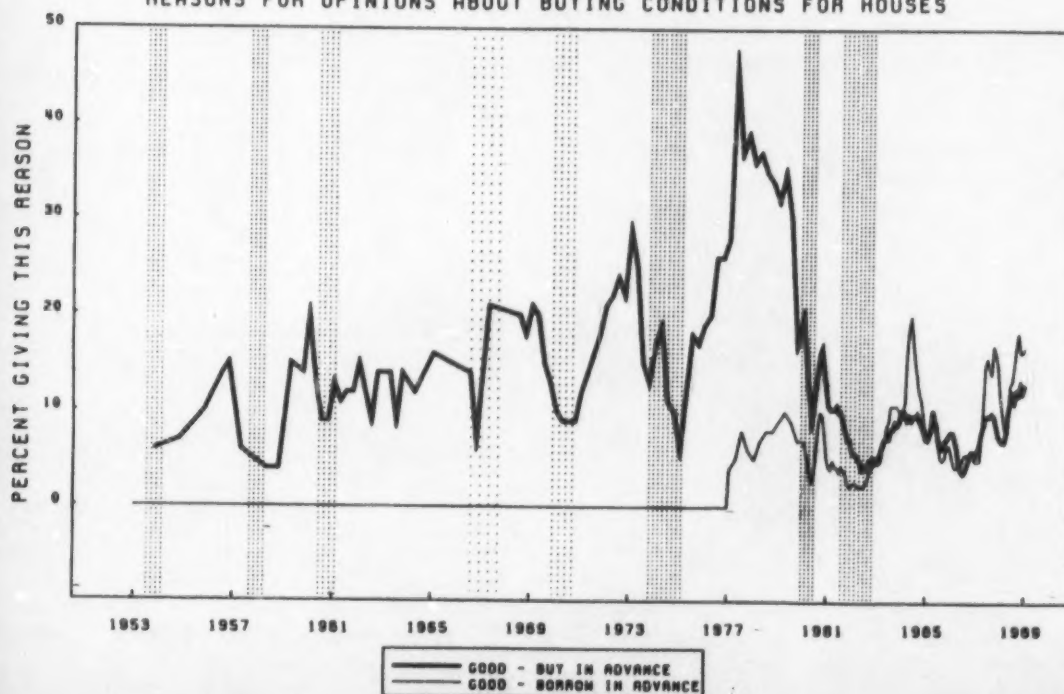


TABLE 24

SELECTED REASONS FOR OPINIONS ABOUT BUYING CONDITIONS FOR HOUSES +

	Jan. 1988	Feb. 1988	Mar. 1988	Apr. 1988	May 1988	June 1988	July 1988	Aug. 1988	Sept 1988	Oct. 1988	Nov. 1988	Dec. 1988	Jan. 1989
GOOD TIME TO BUY:													
Prices are low; good buys available	24%	22%	27%	20%	16%	19%	24%	18%	21%	18%	19%	16%	19%
Prices won't come down; are going higher	7	5	9	10	12	12	12	10	15	11	13	13	13
Interest rates are low	35	44	47	40	37	34	30	28	22	25	33	19	22
Borrow-in-advance of rising interest rates	13	6	7	10	14	15	11	19	21	15	13	21	16
Good investment	7	4	6	7	10	6	7	9	9	9	10	8	7
Times are good; prosperity	3	4	4	4	5	5	6	5	4	4	3	3	4
BAD TIME TO BUY:													
Prices are high	11	13	11	10	10	11	13	13	11	18	15	14	14
Interest rates are high; credit is tight	13	15	9	10	12	10	11	14	14	16	12	18	16
Times are bad; can't afford to buy	10	7	8	8	6	4	4	4	4	5	6	3	5
Bad times ahead; uncertain future	5	4	3	4	3	3	2	3	2	3	3	5	4

Responses to the query: "Why do you say so?" following the question on Table 23.

+ : May add to more than 100% due to multiple mentions.

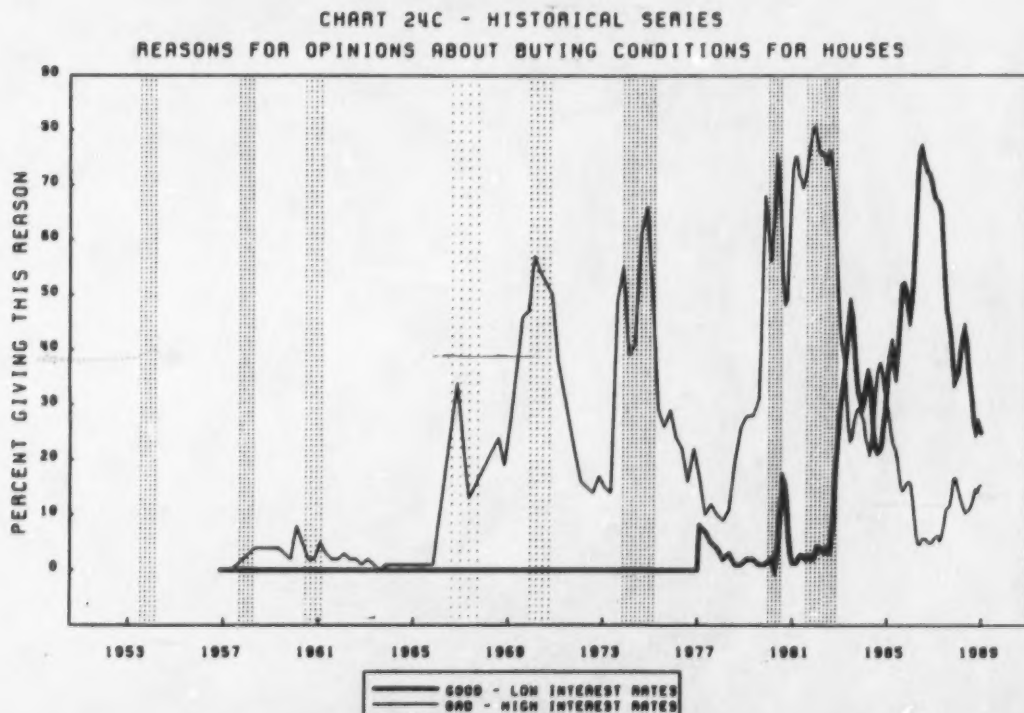


CHART 25 - RECENT CHANGES
BUYING CONDITIONS FOR CARS

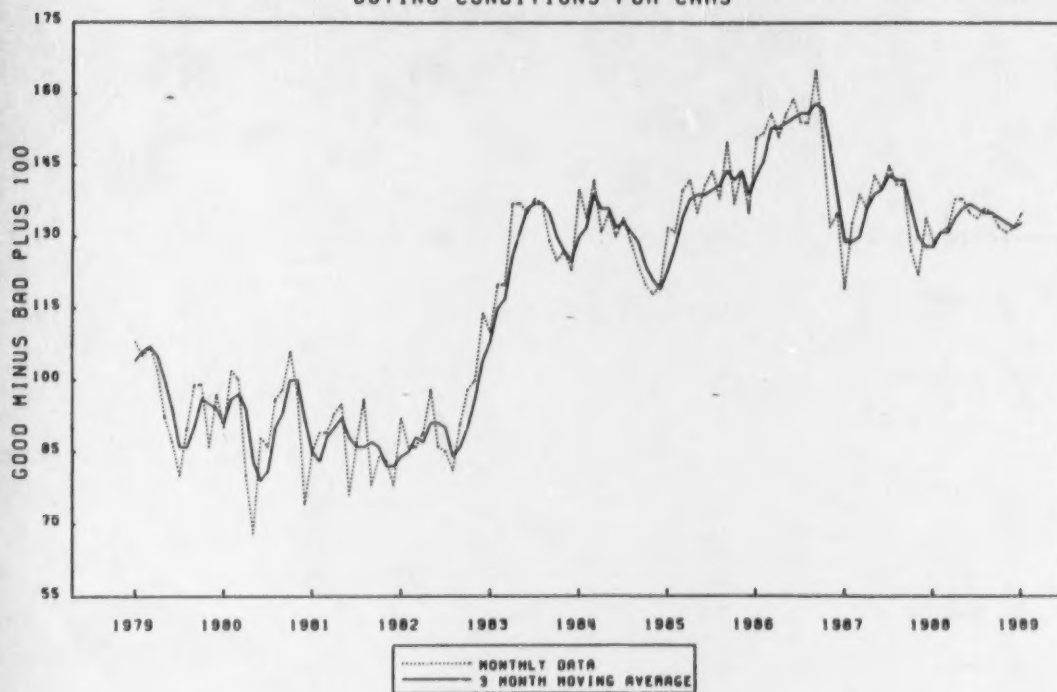


CHART 25 - HISTORICAL SERIES
BUYING CONDITIONS FOR CARS

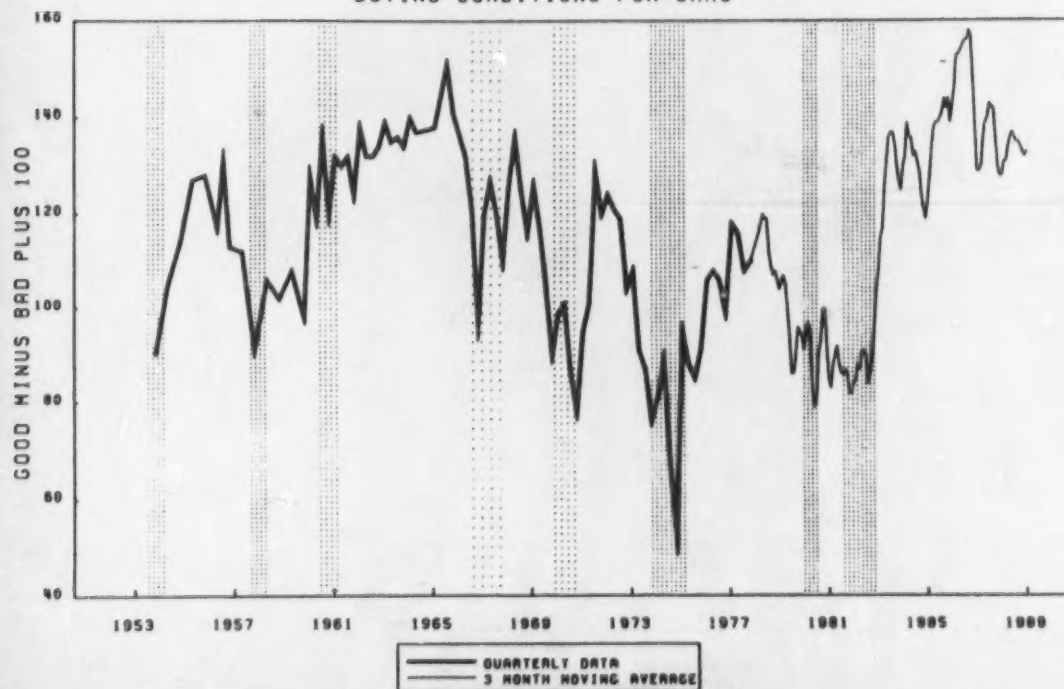


TABLE 25

BUYING CONDITIONS FOR CARS

	Jan. 1988	Feb. 1988	Mar. 1988	Apr. 1988	May 1988	June 1988	July 1988	Aug. 1988	Sept 1988	Oct. 1988	Nov. 1988	Dec. 1988	Jan. 1989
GOOD TIME TO BUY	59%	59%	62%	63%	64%	62%	62%	62%	61%	60%	61%	61%	62%
UNCERTAIN; DEPENDS	11	13	8	12	10	11	10	12	13	12	9	10	11
BAD TIME TO BUY	30	28	30	25	26	27	28	26	26	28	30	29	27
TOTAL	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%
CASES	502	500	500	504	500	500	501	500	500	501	508	500	501

The question was: "Speaking now of the automobile market--do you think the next 12 months or so will be a good time or a bad time to buy a car?"

CHART 26A - HISTORICAL SERIES
REASONS FOR OPINIONS ABOUT BUYING CONDITIONS FOR CARS

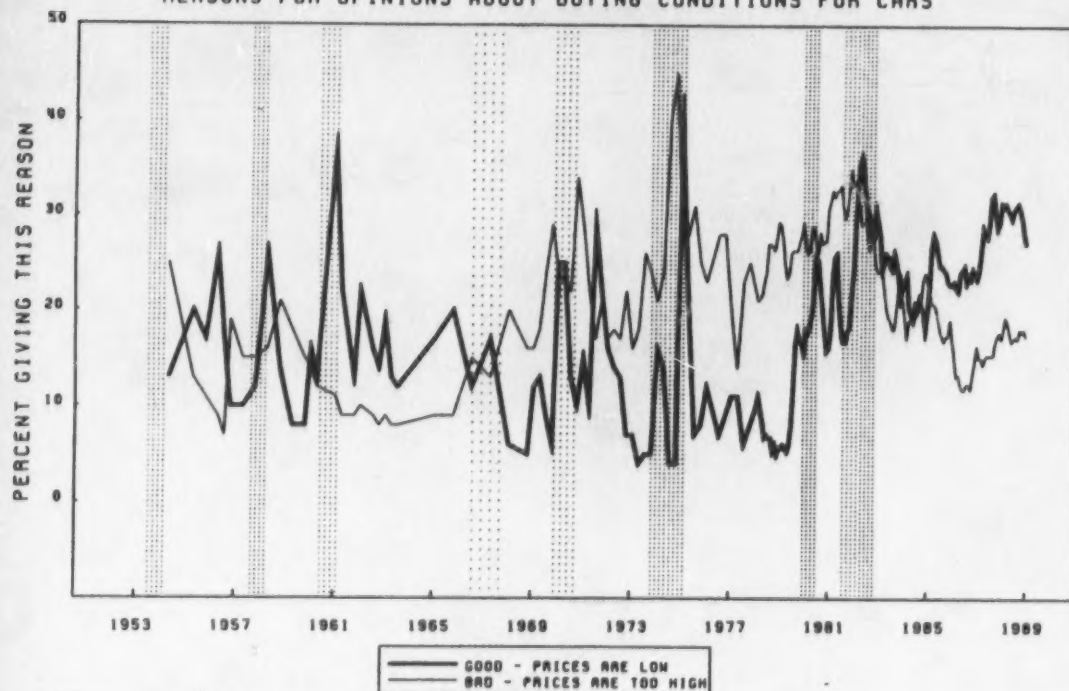


CHART 26B - HISTORICAL SERIES
REASONS FOR OPINIONS ABOUT BUYING CONDITIONS FOR CARS

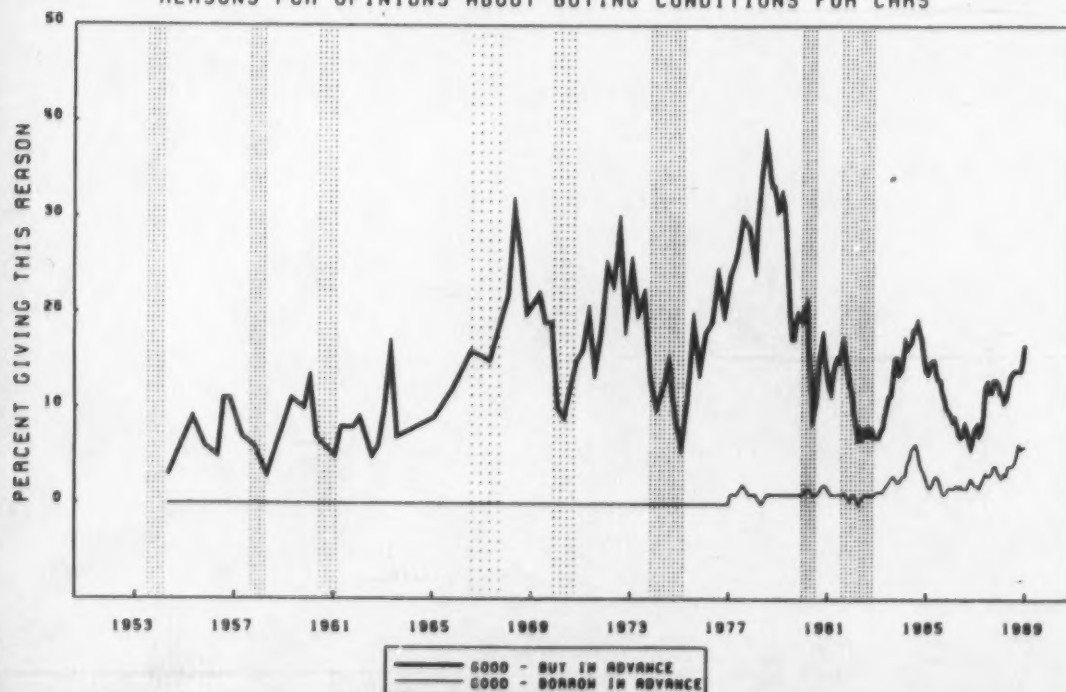


TABLE 26

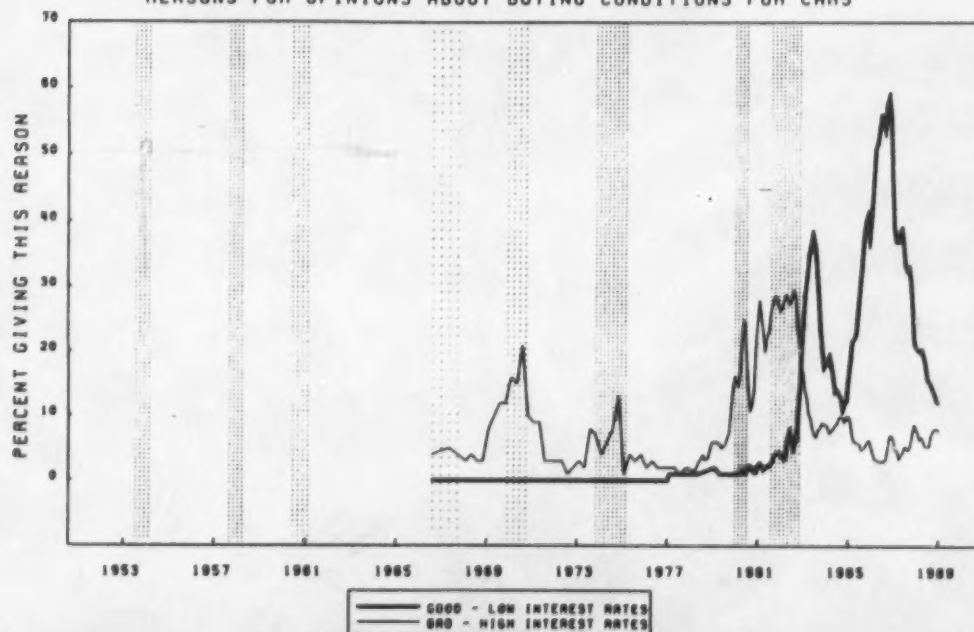
SELECTED REASONS FOR OPINIONS ABOUT BUYING CONDITIONS FOR CARS +

	Jan. 1988	Feb. 1988	Mar. 1988	Apr. 1988	May 1988	June 1988	July 1988	Aug. 1988	Sept 1988	Oct. 1988	Nov. 1988	Dec. 1988	Jan. 1989
GOOD TIME TO BUY:													
Prices are low; good buys available	32%	30%	32%	30%	29%	30%	33%	30%	31%	31%	27%	26%	28%
Prices won't come down; are going higher	11	10	11	12	14	14	13	15	14	13	15	17	18
Interest rates are low	20	20	20	21	17	16	14	16	14	12	14	11	11
Borrow-in-advance of rising interest rates	4	2	4	3	5	4	3	6	6	7	4	7	7
Times are good; prosperity	3	3	4	3	4	3	5	4	4	4	4	4	5
BAD TIME TO BUY:													
Prices are high	17	20	21	15	17	18	16	18	17	19	17	18	17
Interest rates are high; credit is tight	5	8	6	6	6	4	6	6	9	8	7	9	7
Times are bad; can't afford to buy	5	4	3	5	3	1	3	4	2	3	2	4	2
Bad times ahead; uncertain future	3	2	2	2	2	2	2	2	2	1	2	3	1
Poor selection; quality	4	3	3	2	2	3	3	2	3	5	3	2	4

Responses to the query: "Why do you say so?" following the question on Table 25.
+ : May add to more than 100% due to multiple mentions.

* : Less than half of one percent.

CHART 26C - HISTORICAL SERIES
REASONS FOR OPINIONS ABOUT BUYING CONDITIONS FOR CARS



EXPLANATORY CHARTS

CHART 1 - RECENT CHANGES

THE INDEX OF CONSUMER SENTIMENT

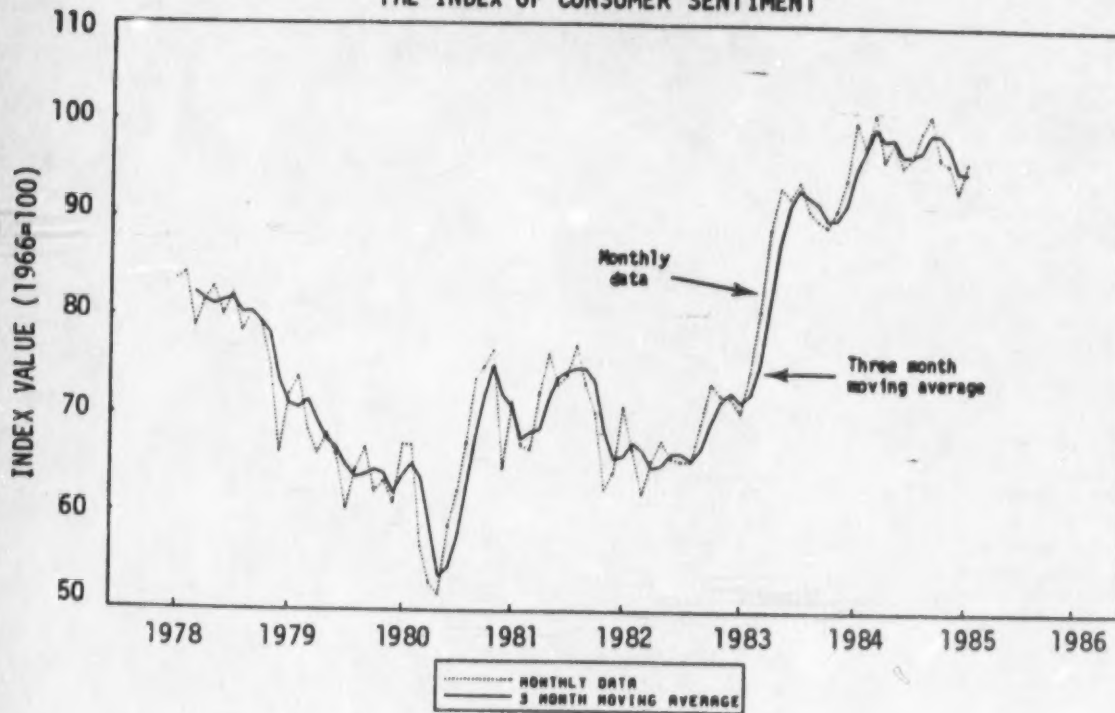
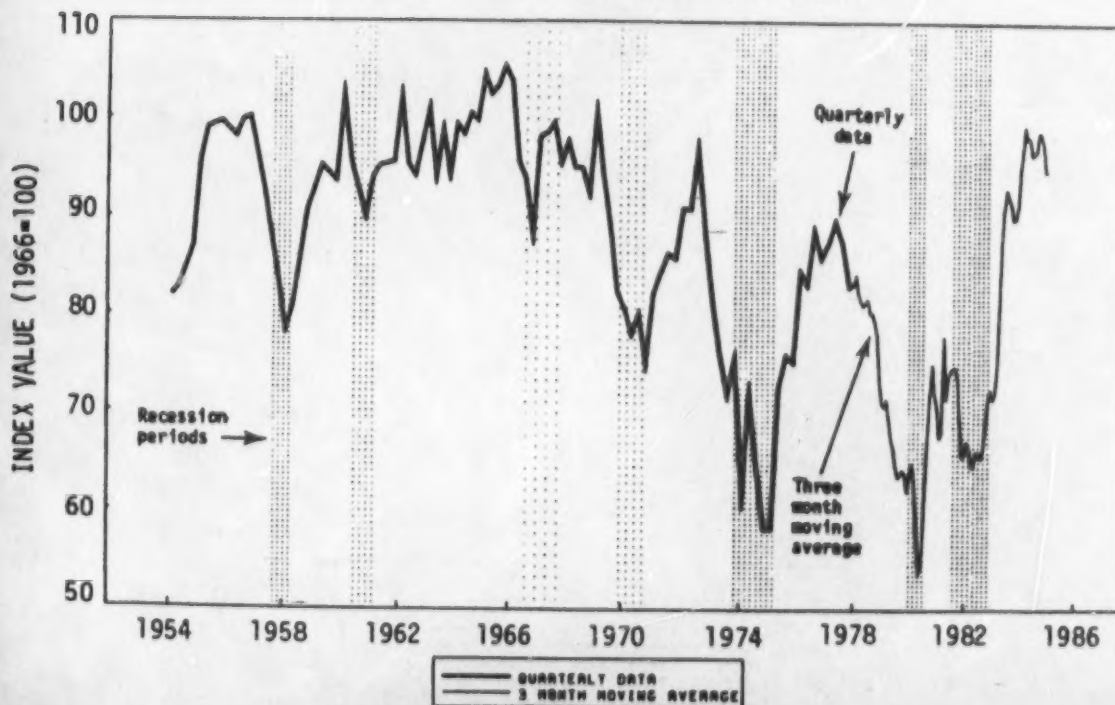


CHART 1 - HISTORICAL SERIES

THE INDEX OF CONSUMER SENTIMENT



DESCRIPTION OF CHART LINES

QUARTERLY DATA: Data collected by surveys conducted at three-month intervals before 1978.

MONTHLY DATA: Data collected by surveys conducted each month since January of 1978.

THREE-MONTH MOVING AVERAGE: Each point plotted represents the average of the three monthly observations ending at the date plotted.

TIME SCALE LABELS

Each tic mark on the time scale represents the month of January for the indicated year.

NATIONAL BUREAU OF ECONOMIC RESEARCH, REFERENCE DATES FOR RECESSIONS

DATES:	November 1948	-	October 1949
	July 1953	-	May 1954
	August 1957	-	April 1958
	April 1960	-	February 1961
	June 1966	-	November 1967*
	December 1969	-	November 1970
	November 1973	-	March 1975
	January 1980	-	July 1980
	July 1981	-	November 1982

Notes:

RECESSION PERIOD: Reduction in the national output of goods and services, generally lasting at least two quarters.

*GROWTH RECESSION: Retardation in the rate of growth of output and employment (usually followed by a recession and always the initial stage of a recession).

APPROXIMATE SAMPLING ERRORS^a OF SURVEY FINDINGS
(In percentages by size of sample or subgroup)

Reported Percentages	Number of Interviews					
	500	700	1000	1400	2000	3000
50	4.9	4.2	3.6	3.2	2.8	2.5
30 or 70	4.5	3.8	3.3	2.9	2.5	2.3
20 or 80	3.9	3.4	2.9	2.6	2.2	2.0
10 or 90	2.9	2.5	2.2	1.9	1.7	1.5
5 or 95	2.1	1.8	1.6	1.4	1.2	1.1

^aThe figures in this table represent two standard errors. Hence, for most items the chances are 95 in 100 that the value being estimated lies within a range equal to the reported percentages, plus or minus the sampling error.



February 1989 Monthly Survey

47475-2
February 5, 1989

Surveys of Consumers

Richard T. Curtin, *Director*

Consumer Sentiment Remains Favorable Despite Record Concerns With Rising Interest Rates

Index Remains At High Level

In the February 1989 survey, the Index of Consumer Sentiment was 95.4, down from 97.9 one month earlier, but above the 91.6 recorded one year earlier. Although the February Index receded from the 6 Index-point gain recorded in January, it still remained well above the December 1988 reading of 91.9. Overall, consumer confidence remained very favorable in the February 1989 survey, above the average level recorded during the current expansion.

The small February decline, like the more substantial January increase, was due to changing evaluations of buying conditions for large household durables. Despite the small decline, attitudes toward buying conditions remained favorable.

Among families with incomes of \$40,000 or more the Index rose to 109.6 in February from 106.8 in January. The recent increase brought consumer confidence among high income families to its highest level since 1986.

Leading Indicator

The Index of Consumer Expectations, the

expectations component of the Index of Consumer Sentiment and part of the composite Index of Leading Indicators, declined slightly to 88.8 in the February 1989 survey from 89.9 in January. It nonetheless remained substantially above the 85.5 recorded in December 1988 and the 80.1 recorded in February 1988.

The Index component reflecting assessments of current economic conditions declined to a larger extent, falling to 105.7 in February from 110.3 in January, and was slightly below the year earlier figure of 106.6.

Interest Rate Increases Expected by Record Numbers

Interest rates represent the top concern of consumers. The proportion of American families that expected increases in interest rates during the year ahead rose to 75 percent in the February 1989 survey, just above the 74 percent recorded in December 1988, and the highest level ever recorded in these surveys. Just 7 percent of all families expected declines in interest rates during the year ahead.

The increases in interest rates during the past year have come as no surprise to consumers. Following declines in interest rate expectations in the aftermath of the stock market crash in 1987,

interest rate expectations rose sharply in the first part of 1988. From February to June of 1988, the proportion of families that expected interest rate increases rose from 44 to 67 percent. Since then interest rate expectations have remained at very unfavorable levels.

As a result of the widespread concern over rising interest rates, consumers were more likely to favor borrowing in advance of the expected increases in interest rates rather than to view their current level as already too high and as a cause for postponement. Thus the recent increases in interest rates have had less of an impact on spending than might have been expected. Conversely, when consumers no longer expect further increases in interest rates, they will be more likely to then postpone purchases to take advantage of the expected future declines.

Inflation Expectations Ease

Consumers expected an annual rate of inflation of 4.8% during the year ahead in the February 1989 survey, down from 5.1% in January. The February reading was the lowest inflation rate expected since mid 1986 when inflation expectations were in the 5.5% range.

The February 1989 survey gave no evidence of a renewed building of inflationary psychology. Few consumers complained about drains on their purchasing power and few consumers favored purchasing in advance of rising prices. For the consumer, interest rate trends are a far more important consideration in their purchase timing decisions. Rather than viewing the expected increases in interest rates as the result of rising inflation, consumers were more likely to view the increases in interest rates as the reason inflation will be held in check.

Outlook for Economy Remains Favorable

Despite the heightened concerns with rising

interest rates, consumers continued to view the outlook for the economy in relatively favorable terms, largely due to favorable employment prospects.

Although the majority of families expected the performance of the national economy to remain largely unchanged during the year ahead, the proportion that expected the economy to improve rose to 26 percent in the February 1989 survey from 23 percent in January and 19 percent in the December 1988 survey. Overall, good times financially in the country as a whole were expected by 56 percent of all families in the February 1989 survey, unchanged from January, and the highest level recorded during the past year.

The major factor underlying the maintenance of the favorable assessment of prospects for the national economy was the employment outlook. The majority of families in the February 1989 survey (55 percent) expected the current low rate of unemployment to remain largely unchanged during the year ahead.

Personal Finances Remain Strong

Consumers assessments of their own financial situation remained favorable in the February 1989 survey. Among all families, 44 percent reported that their financial situations had improved during the past year, unchanged from January, although slightly below the 47 percent recorded in February 1988. Increases in incomes were reported by 36 percent of all families in February, up from 34 percent in January. Reports of income declines, however, also increased, rising from 14 to 18 percent.

There is little evidence that the recent increases in inflation have influenced consumer evaluations of their financial situation. Complaints that rising prices had reduced living standards actually fell to 12 percent in February from 15 percent in January, and were only marginally above the 11 percent recorded in February 1988.

Consumers continued to view prospects for their own financial situation during the year ahead in favorable terms. Among all families in the February 1989 survey, 40 percent expected their financial situation to improve during the year ahead, just between the 41 percent recorded one month earlier and the 39 percent recorded one year earlier. Just 10 percent of all families expected their financial situation to worsen during the year ahead in the February 1989 survey. Income increases were expected by 66 percent of all families in the February 1989 survey, up from 60 percent one month earlier and 63 percent one year earlier.

Home Buying Conditions

Attitudes toward buying conditions for homes were unchanged in the February 1989 survey from one and two months earlier, but remain substantially below the levels recorded one and two years earlier. Among all families, 64 percent thought buying conditions for homes were favorable, down from 67 percent one year earlier and 81 percent two years earlier.

Rising mortgage interest rates have meant that fewer consumers now hold favorable views of the current level of mortgage rate. Thus far, however, the increases in mortgage rates have not been enough to make consumers choose to postponement purchases of homes. Indeed, since further increases in mortgage interest rates are expected, consumers are now more likely to cite the advantage of borrowing-in-advance of the expected increases in mortgage rates than favor the postponement of the purchase.

The proportion of families that mentioned the availability of low mortgage interest rates fell to 20 percent in the February 1989 survey from 44 percent one year earlier. Yet despite the recent rise in mortgage rates, the proportion of families that complained about high mortgage rates actually declined to 12 percent in February from 16 percent one month earlier and 15 percent one year earlier. Instead, more families referred to the advantage of

borrowing-in-advance of rising interest rates--mentioned by 20 percent in the February 1989 survey up from just 6 percent one year earlier.

Car Buying Conditions

Favorable car buying attitudes were held by 61 percent of all families in the February 1989 survey, showing little change from prior surveys. For the past nine months the proportion of families holding favorable car buying attitudes has remained in the narrow range of 60 to 62 percent.

The recent round of price and interest rate discounts offered by vehicle manufacturers were reflected in the February data, but their impact was small. The proportion of families that mentioned the availability of price discounts rose to 30 percent in February from 28 percent in January. While references to the availability of discounted interest rates rose to 15 percent in February from 11 percent one month earlier.

Household Durables

The proportion of families holding favorable attitudes toward buying conditions for appliances, furniture, and home electronic goods retreated to 71 percent in the February 1989 survey from the 78 percent recorded in January. Overall, the February reading remained just between the 70 percent recorded in December 1988 and the 72 percent recorded in February 1988. When asked to explain their assessments, somewhat fewer consumers held favorable views of prices and interest rates on purchases of household durables.

* * *

The February 1989 survey included 501 completed interviews conducted between February 1 and February 28, 1989.

UX475-2
3/14/89

SURVEYS OF CONSUMER ATTITUDES



MONITORING
ECONOMIC CHANGE
PROGRAM



Institute for Social Research

SURVEYS OF CONSUMERS

FEBRUARY 1989

The February 1989 survey was the 247th in a series of Surveys of Consumers conducted by the Survey Research Center at The University of Michigan. Initiated in 1946, these periodic surveys provide regular assessments of consumer attitudes and expectations, and are used to evaluate economic trends and prospects. The surveys are designed to explore why changes in consumer attitudes and expectations occur, and how these changes influence consumer spending and saving decisions.

All surveys are subject to sampling error because not all members of the population are interviewed. Most results for the total sample will differ by no more than 5 percentage points in either direction from what would have been obtained by using the same methods on the entire population. See the back of this book for sampling error information.

While every effort is made to accurately measure consumer attitudes and expectations, factors other than sampling may also affect the accuracy of these (and other) findings. These factors may include effects of the question wording, the ability of respondents to articulate answers and opinions, refusal to participate in the survey, and incomplete coverage of the population. There are no standard measures of these effects, but their presence should be acknowledged when using these and all other survey data. While measurement effects are present in all surveys, a noted advantage of time-series data is that the non-sampling influences remain relatively constant across samples.

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CHART 1 - RECENT CHANGES
THE INDEX OF CONSUMER SENTIMENT



CHART 1 - HISTORICAL SERIES
THE INDEX OF CONSUMER SENTIMENT

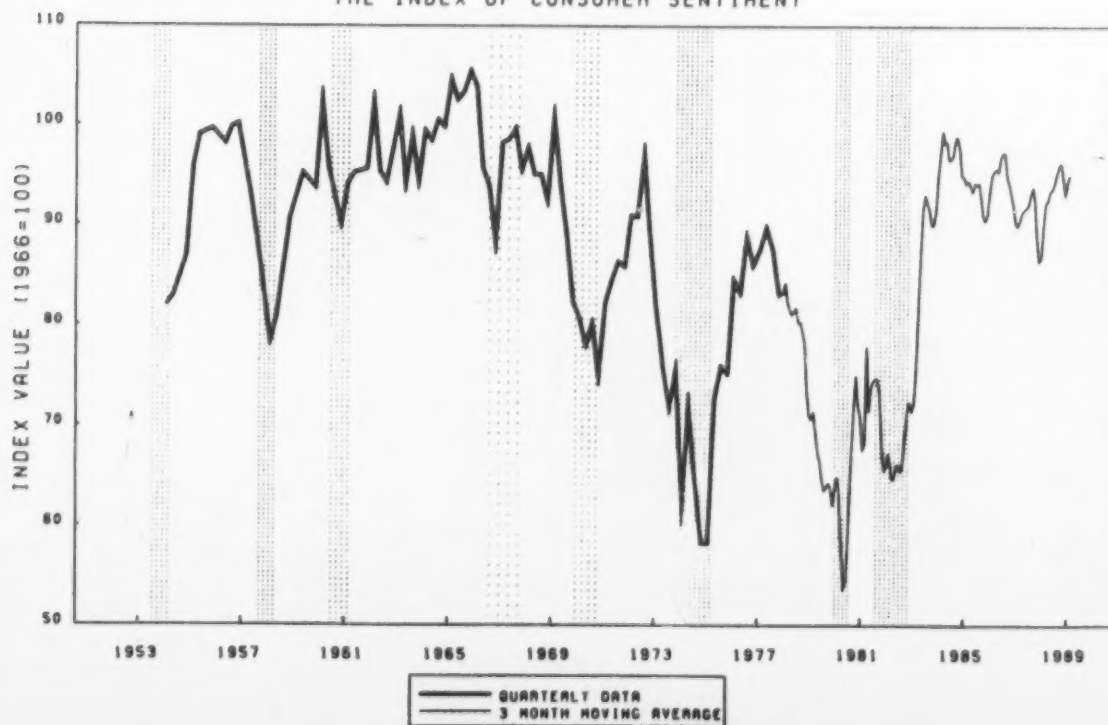


TABLE 1
THE INDEX OF CONSUMER SENTIMENT

DATE OF SURVEY	All families	Families with incomes over \$30,000	Families with incomes over \$40,000
February 1986	95.9	107.8	109.0
March 1986	95.1	102.9	110.2
April 1986	96.2	106.9	111.0
May 1986	94.8	105.5	109.9
June 1986	99.3	110.6	112.4
July 1986	97.7	109.6	108.5
August 1986	94.9	105.0	106.6
September 1986	91.9	99.5	102.1
October 1986	95.6	102.8	105.5
November 1986	91.4	97.5	98.7
December 1986	89.1	98.7	98.3
January 1987	90.4	101.2	104.0
February 1987	90.2	103.6	103.6
March 1987	90.8	97.8	96.1
April 1987	92.8	98.5	103.1
May 1987	91.1	97.7	99.2
June 1987	91.5	102.9	102.9
July 1987	93.7	102.5	104.0
August 1987	94.4	104.4	109.1
September 1987	93.6	100.6	104.3
October 1987	89.3	99.9	101.8
November 1987	83.1	87.7	90.5
December 1987	86.8	94.5	96.1
January 1988	90.8	99.0	99.9
February 1988	91.6	98.1	100.8
March 1988	94.6	103.7	104.6
April 1988	91.2	99.1	99.6
May 1988	94.8	106.6	108.3
June 1988	94.7	102.3	102.7
July 1988	93.4	100.5	103.9
August 1988	97.4	105.1	104.2
September 1988	97.3	102.8	105.4
October 1988	94.1	103.0	103.7
November 1988	93.0	102.0	101.0
December 1988	91.9	97.0	99.5
January 1989	97.9	108.4	106.8
February 1989	95.4	104.6	109.6

CHART 2A - HISTORICAL SERIES
INDEX OF CONSUMER SENTIMENT WITHIN REGION SUBGROUPS

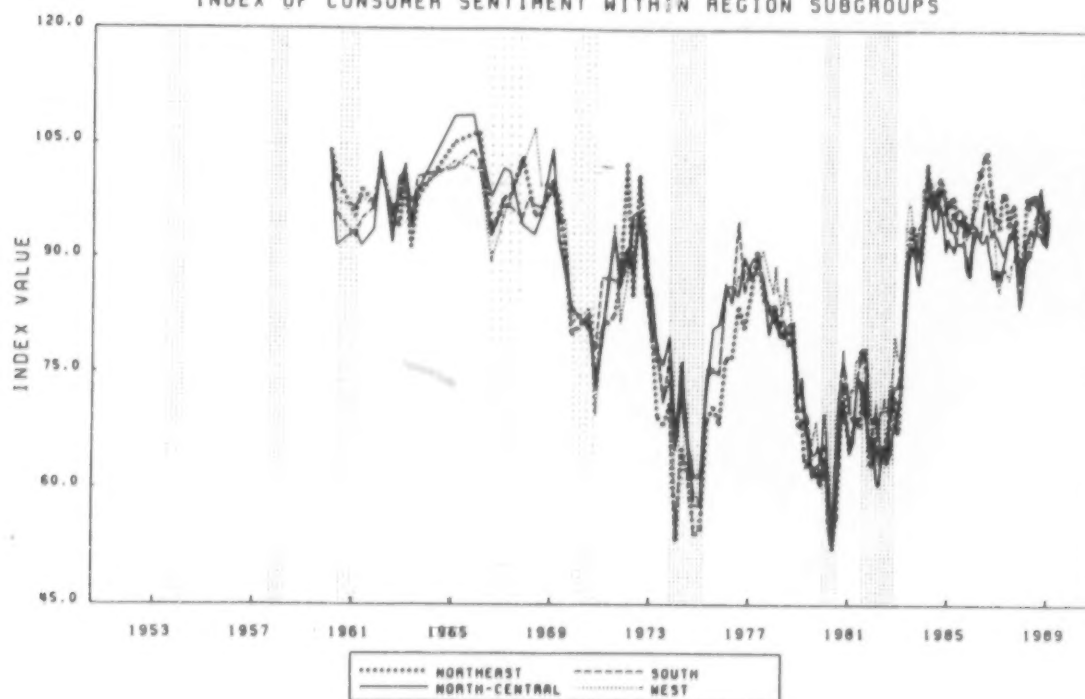


CHART 2B - HISTORICAL SERIES
INDEX OF CONSUMER SENTIMENT WITHIN AGE SUBGROUPS

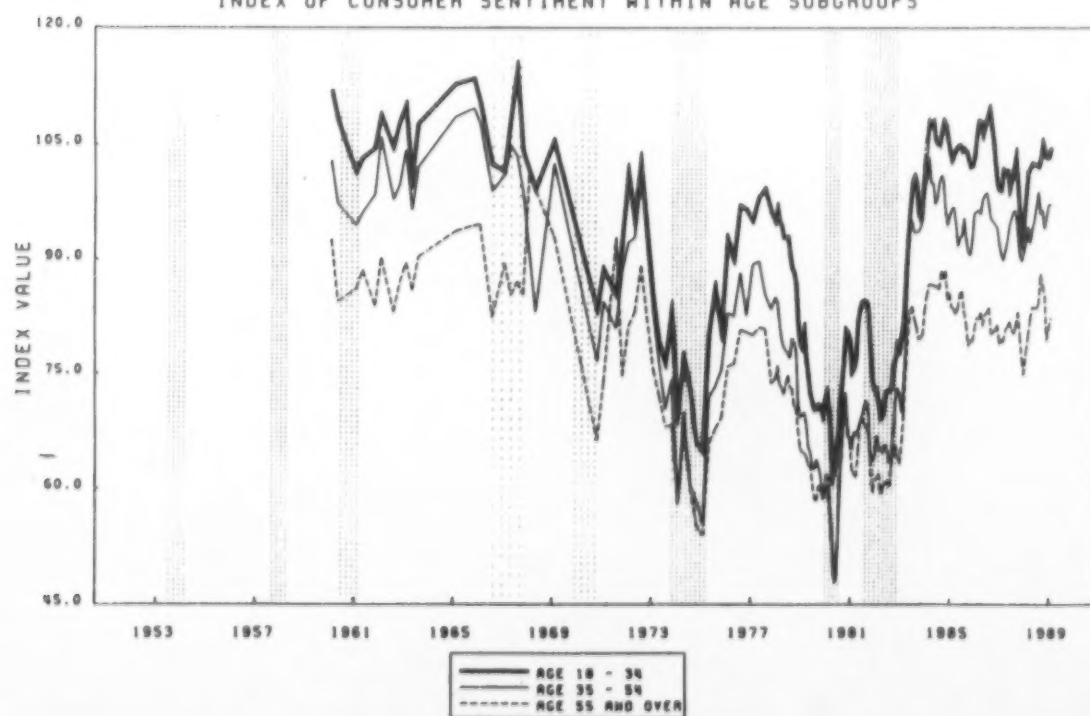


TABLE 2

INDEX OF CONSUMER SENTIMENT WITHIN REGION AND AGE SUBGROUPS

DATE OF SURVEY	CENSUS REGION				AGE OF RESPONDENT		
	North East	North Central	South	West	18-34	35-54	55+
February 1986	103.4	92.7	93.2	98.0	109.7	94.1	83.8
March 1986	99.1	94.9	91.3	98.9	109.1	96.0	82.0
April 1986	102.7	92.3	94.4	99.5	104.8	97.8	83.6
May 1986	101.2	90.1	93.5	98.8	104.9	99.9	78.3
June 1986	106.2	94.1	98.5	102.7	112.7	97.9	86.6
July 1986	103.9	93.4	101.7	94.7	108.2	98.6	84.5
August 1986	102.5	92.6	90.5	98.2	107.9	95.2	80.1
September 1986	94.6	87.0	91.9	95.8	106.3	92.4	76.1
October 1986	99.1	90.0	96.5	99.3	102.5	97.3	85.7
November 1986	95.8	85.6	93.2	92.3	99.5	94.2	80.4
December 1986	91.8	90.4	89.5	84.0	98.0	91.3	78.3
January 1987	98.1	85.9	96.0	83.9	99.9	91.2	78.4
February 1987	92.4	89.5	90.7	89.2	99.1	89.2	81.5
March 1987	104.6	86.3	87.5	91.2	106.4	89.3	77.7
April 1987	99.4	91.7	93.7	87.2	99.0	95.1	83.5
May 1987	91.3	92.9	92.1	87.1	99.5	92.8	82.1
June 1987	92.5	92.2	91.5	89.7	99.0	95.5	80.0
July 1987	100.1	95.7	93.8	85.2	103.0	97.8	80.2
August 1987	99.0	91.0	95.2	93.2	103.3	95.8	80.8
September 1987	92.2	94.7	94.9	91.5	104.1	95.4	82.6
October 1987	93.8	87.2	88.3	89.1	92.0	89.9	86.2
November 1987	83.9	79.6	87.9	79.4	91.7	86.6	70.8
December 1987	83.4	83.6	90.4	89.2	94.1	92.9	73.6
January 1988	99.8	91.3	87.6	88.5	98.3	93.6	80.1
February 1988	93.7	92.1	92.8	86.3	102.5	90.3	79.9
March 1988	101.2	92.9	91.6	95.3	103.5	98.9	80.0
April 1988	94.9	93.9	88.6	89.0	100.0	87.5	86.6
May 1988	99.1	95.5	91.1	97.3	104.2	95.4	84.7
June 1988	98.1	91.2	95.9	95.2	103.1	102.0	79.5
July 1988	98.3	92.0	91.8	94.0	99.6	93.0	86.6
August 1988	95.7	100.9	94.4	98.5	103.6	101.7	86.3
September 1988	95.2	101.9	93.3	97.6	106.1	93.3	91.4
October 1988	91.8	96.1	92.9	96.6	105.8	94.6	82.0
November 1988	95.8	90.6	90.5	98.9	100.4	94.3	82.2
December 1988	90.8	90.2	96.1	88.0	103.7	97.1	73.9
January 1989	96.9	94.2	99.9	102.2	105.8	100.3	86.7
February 1989	103.5	99.2	88.8	93.6	104.3	94.2	86.7

CHART 3 - RECENT CHANGES
CURRENT AND EXPECTED COMPONENTS

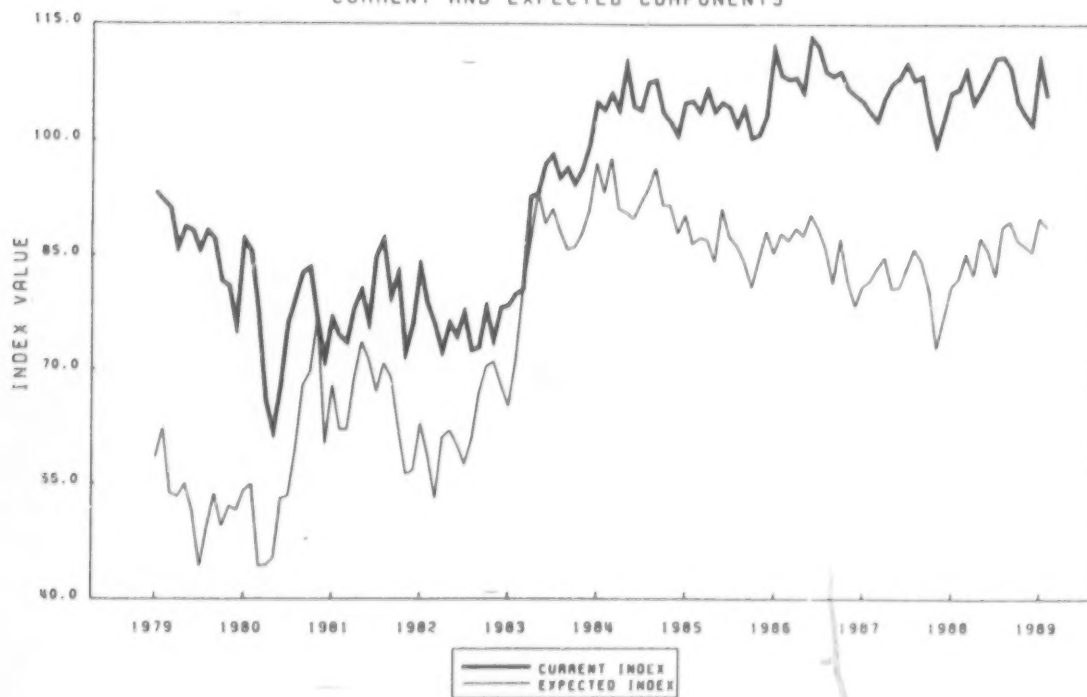


CHART 3 - HISTORICAL SERIES
CURRENT AND EXPECTED COMPONENTS

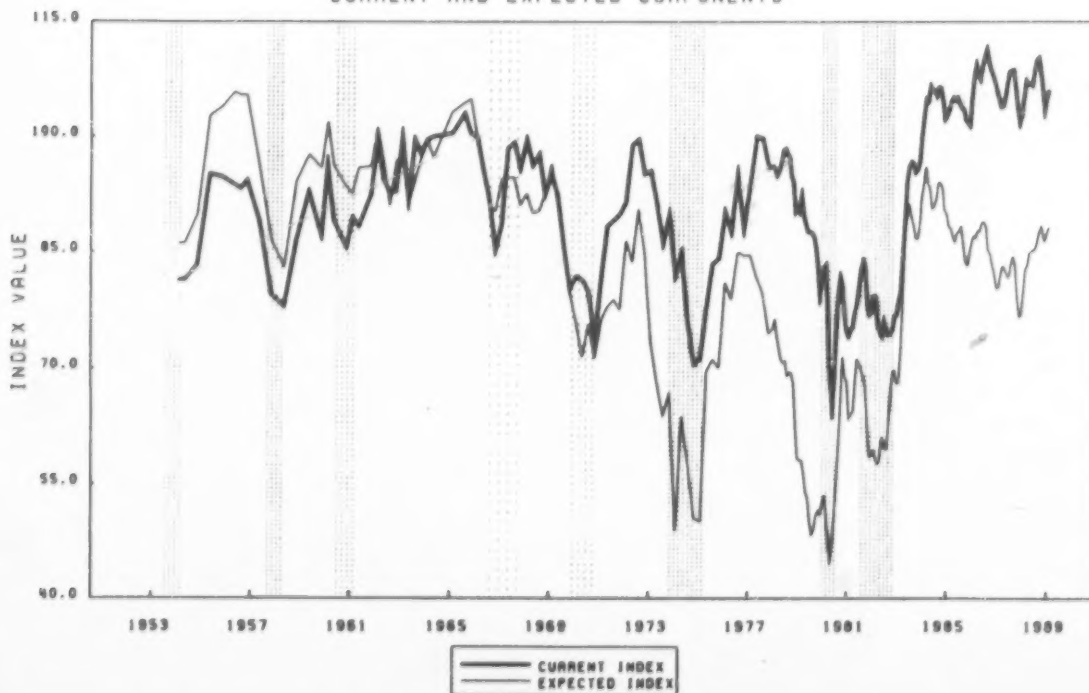


TABLE 3
COMPONENTS OF THE INDEX OF CONSUMER SENTIMENT

DATE OF SURVEY		INDEX COMPONENTS +						Current Index	Expected Index
		Personal finances		Business conditions		Buying conds.			
		Current	Expected	12 months	5 years				
		(1)	(2)	(3)	(4)				
(5)	(1,5)	(2,3,4)							
February 1986	117	123	132	98	164	108.4	87.8		
March 1986	120	124	129	96	160	107.9	86.9		
April 1986	120	128	133	94	160	108.1	88.5		
May 1986	117	129	131	92	158	106.2	87.5		
June 1986	124	127	136	100	170	113.3	90.3		
July 1986	126	130	131	94	165	112.1	88.5		
August 1986	121	128	123	94	161	108.9	85.9		
September 1986	120	127	115	84	161	108.3	81.3		
October 1986	120	127	124	99	162	108.9	87.1		
November 1986	121	121	120	87	155	106.7	81.6		
December 1986	116	127	104	83	158	105.8	78.3		
January 1987	120	130	117	77	152	105.1	80.9		
February 1987	115	126	117	84	153	103.7	81.6		
March 1987	114	122	121	92	152	102.5	83.3		
April 1987	116	127	116	97	158	105.5	84.7		
May 1987	117	121	114	89	161	107.4	80.6		
June 1987	120	122	113	89	161	108.1	80.8		
July 1987	123	123	118	94	162	109.9	83.3		
August 1987	122	127	125	93	157	107.8	85.8		
September 1987	119	124	122	92	162	108.3	84.2		
October 1987	118	128	105	90	149	103.1	80.4		
November 1987	115	118	93	80	142	99.3	72.7		
December 1987	119	120	98	89	147	102.7	76.7		
January 1988	122	131	110	84	154	106.2	80.9		
February 1988	122	130	108	90	155	106.6	81.9		
March 1988	127	133	114	96	156	109.1	85.2		
April 1988	117	125	117	89	154	104.8	82.4		
May 1988	111	127	125	98	165	106.5	87.3		
June 1988	119	129	121	95	163	108.6	85.7		
July 1988	120	128	106	96	167	110.7	82.3		
August 1988	127	127	125	105	160	110.8	88.8		
September 1988	127	133	125	102	157	109.4	89.5		
October 1988	114	124	129	97	158	105.0	87.0		
November 1988	112	128	122	97	156	103.3	86.3		
December 1988	114	127	119	98	150	102.0	85.5		
January 1989	121	131	128	103	165	110.3	89.9		
February 1989	120	130	128	99	154	105.7	88.8		

(1) See Table 4.

(2) See Table 6.

(3) See Table 15.

(4) See Table 16.

(5) See Table 21.

+ : Percent saying "GOOD TIMES" (or "BETTER"), minus percent saying "BAD TIMES" (or "WORSE"), plus 100.

CHART 4 - RECENT CHANGES
CURRENT FINANCIAL SITUATION COMPARED WITH A YEAR AGO

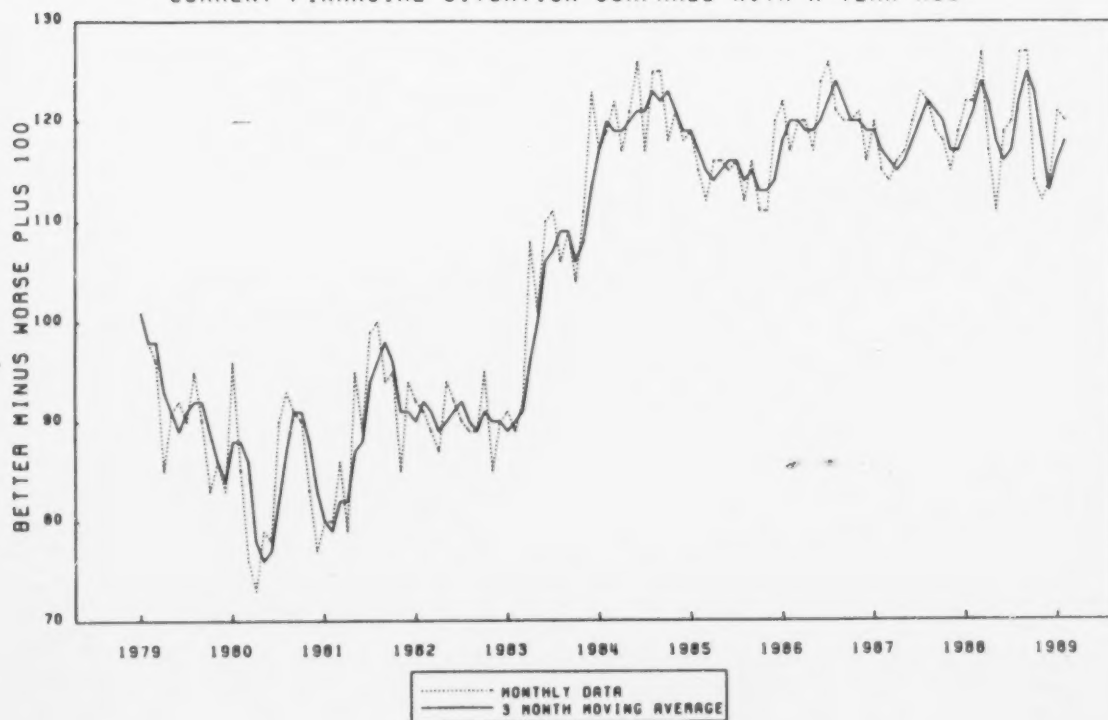


CHART 4 - HISTORICAL SERIES
CURRENT FINANCIAL SITUATION COMPARED WITH A YEAR AGO

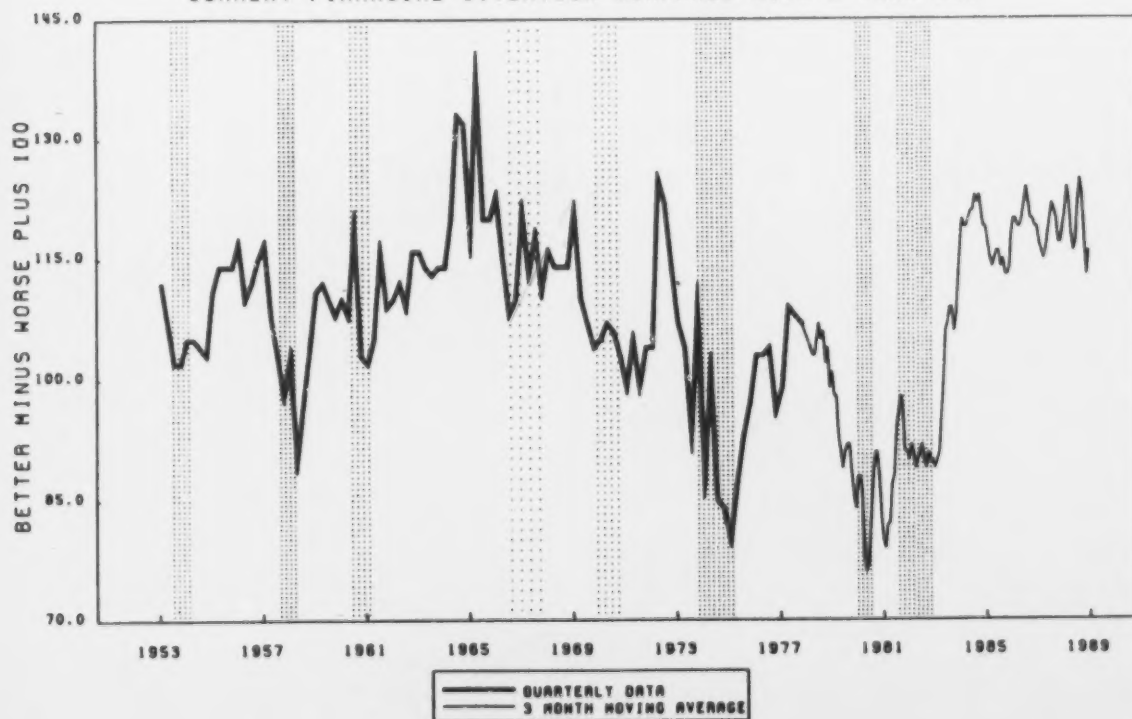


TABLE 4

CURRENT FINANCIAL SITUATION COMPARED TO A YEAR AGO

	Feb. 1988	Mar. 1988	Apr. 1988	May 1988	June 1988	July 1988	Aug. 1988	Sept 1988	Oct. 1988	Nov. 1988	Dec. 1988	Jan. 1989	Feb. 1989
BETTER OFF	47%	49%	41%	40%	43%	45%	50%	49%	42%	41%	39%	44%	44%
SAME	27	29	34	31	32	29	26	28	30	30	36	33	31
WORSE OFF	25	22	24	29	24	25	23	22	28	29	25	23	24
DK,NA	1	*	1	*	1	1	1	1	*	*	*	*	1
TOTAL	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%
CASES	500	500	504	500	500	501	500	500	501	508	500	501	500

The question was: "We are interested in how people are getting along financially these days. Would you say that you (and your family living there) are better off or worse off financially than you were a year ago?"

* : Less than half of one percent.

CHART 5A - HISTORICAL SERIES
REASONS FOR OPINIONS ABOUT PERSONAL FINANCIAL SITUATION

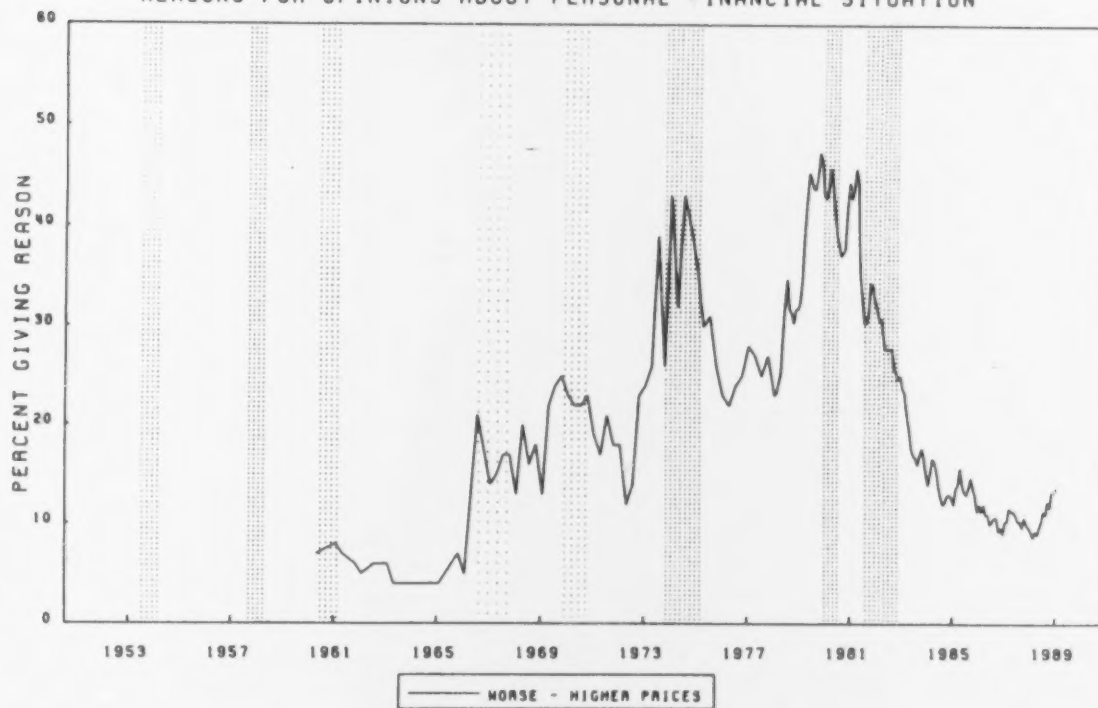


CHART 5B - HISTORICAL SERIES
REASONS FOR OPINIONS ABOUT PERSONAL FINANCIAL SITUATION

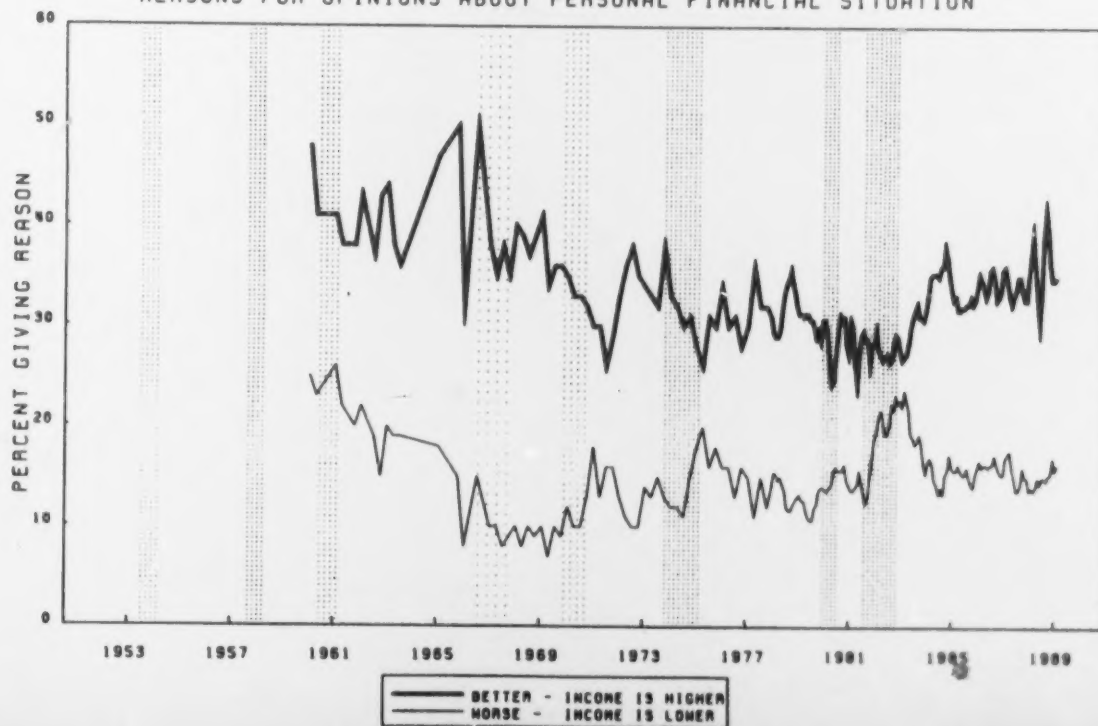


TABLE 5

SELECTED REASONS FOR OPINIONS ABOUT PERSONAL FINANCIAL SITUATION +

	Feb. 1988	Mar. 1988	Apr. 1988	May 1988	June 1988	July 1988	Aug. 1988	Sept 1988	Oct. 1988	Nov. 1988	Dec. 1988	Jan. 1989	Feb. 1989
BETTER OFF THAN YEAR AGO:													
Income is higher	39%	40%	30%	29%	32%	40%	45%	40%	34%	35%	35%	34%	36%
WORSE OFF THAN YEAR AGO:													
Income is lower	13	15	14	16	13	16	16	12	18	16	17	14	18
Higher prices	11	8	9	10	10	11	13	9	15	11	14	15	12

Responses to the query: "Why do you say so?" following the question on Table 4.

+ : May add to more than 100% due to multiple mentions.

CHART 6 - RECENT CHANGES
EXPECTED CHANGE IN FINANCIAL SITUATION

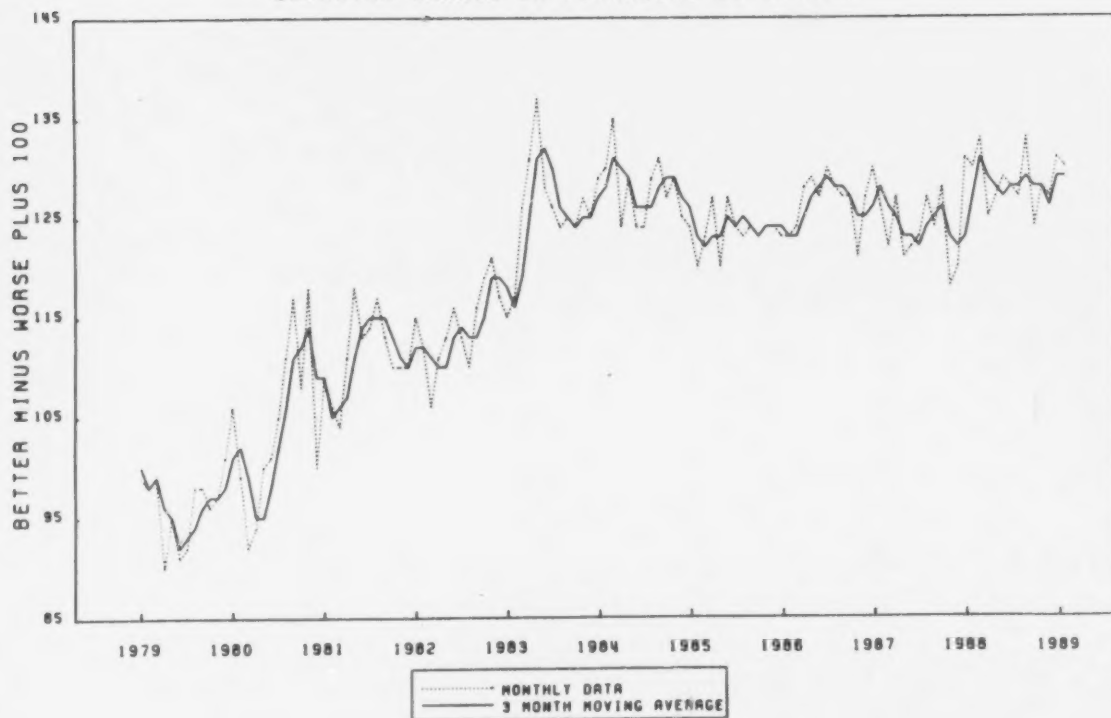


CHART 6 - HISTORICAL SERIES
EXPECTED CHANGE IN FINANCIAL SITUATION

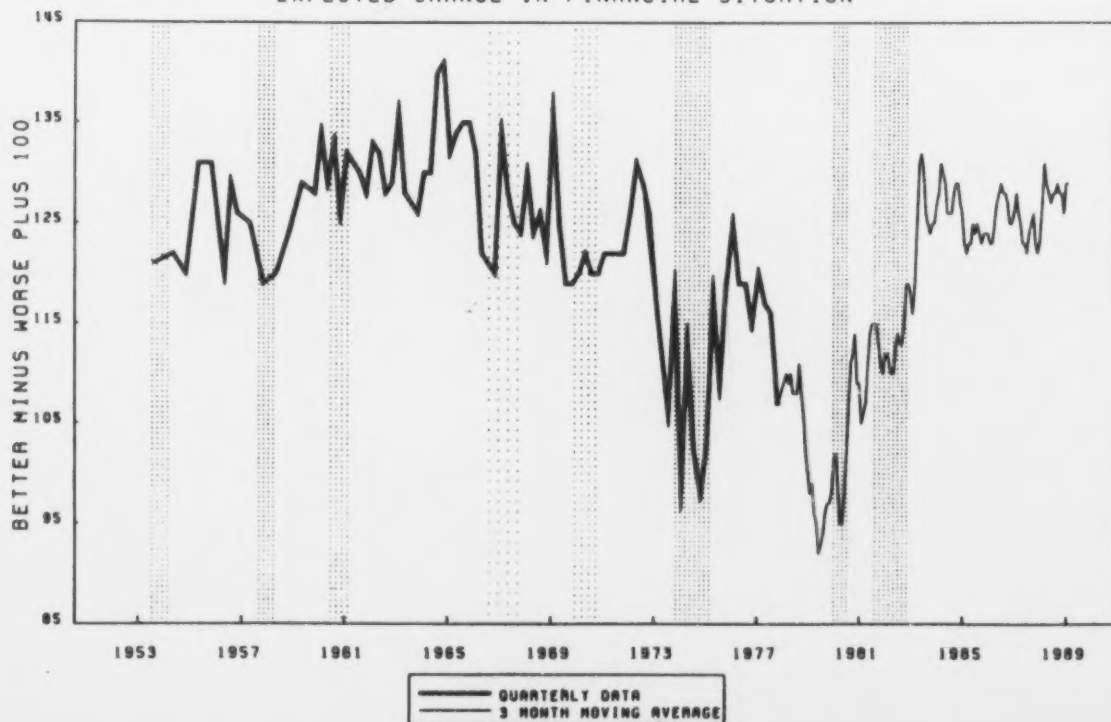


TABLE 6
EXPECTED CHANGE IN FINANCIAL SITUATION

	Feb. 1988	Mar. 1988	Apr. 1988	May 1988	June 1988	July 1988	Aug. 1988	Sept 1988	Oct. 1988	Nov. 1988	Dec. 1988	Jan. 1989	Feb. 1989
BETTER OFF	39%	39%	34%	36%	39%	38%	36%	41%	36%	37%	39%	41%	40%
SAME	48	52	54	52	48	48	49	47	48	49	46	47	46
WORSE OFF	9	6	9	9	10	10	9	8	12	9	12	10	10
DK,NA	4	3	3	3	3	4	6	4	4	5	3	2	4
TOTAL	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%
CASES	500	500	504	500	500	501	500	500	501	508	500	501	500

The question was: "Now looking ahead--do you think that a year from now you (and your family living there) will be better off financially, or worse off, or just about the same as now?"

CHART 7 - RECENT CHANGES
TREND IN PERSONAL FINANCIAL SITUATION

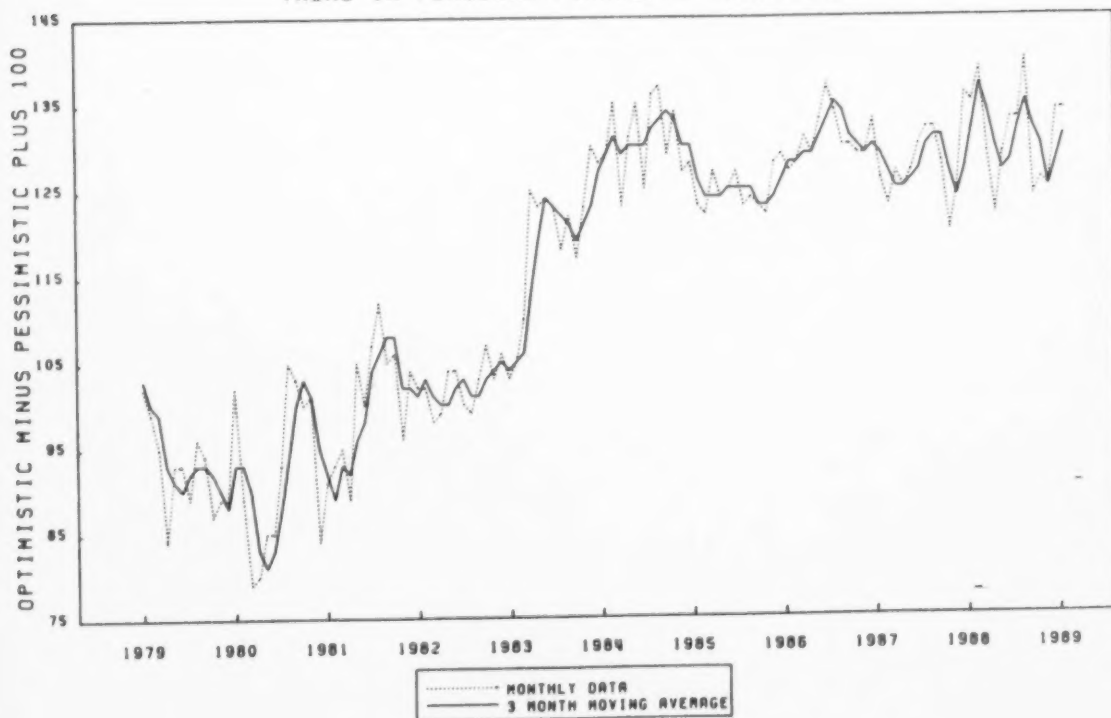


CHART 7 - HISTORICAL SERIES
TREND IN PERSONAL FINANCIAL SITUATION

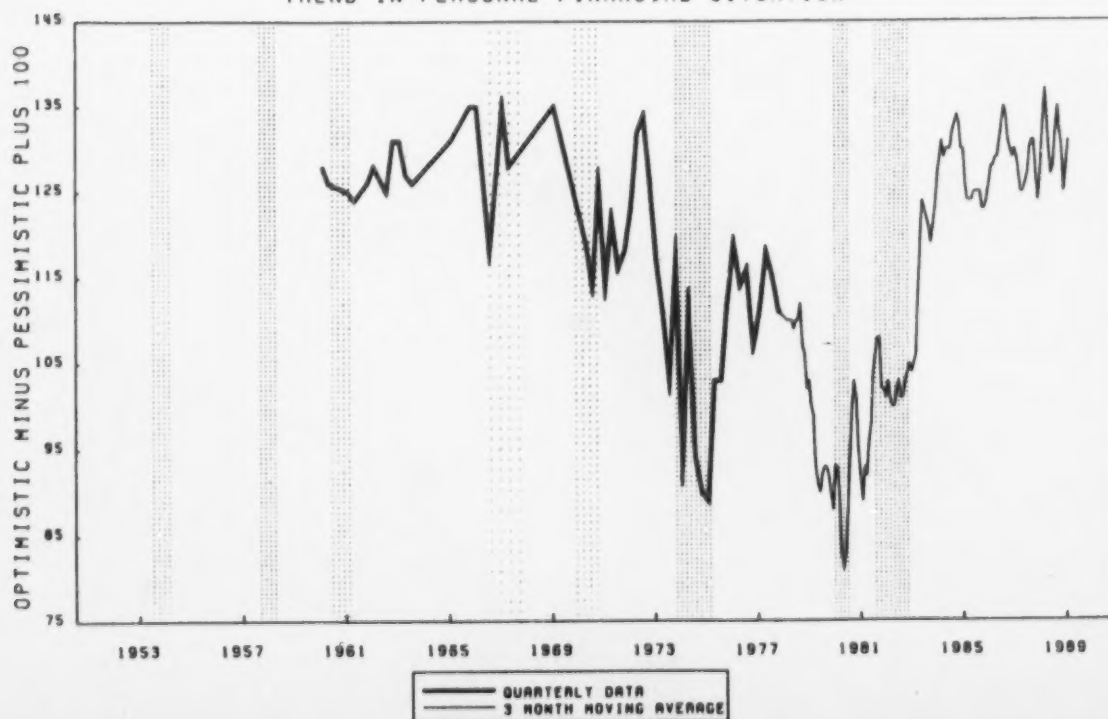


TABLE 7

TREND IN PERSONAL FINANCIAL SITUATION

	Feb. 1988	Mar. 1988	Apr. 1988	May 1988	June 1988	July 1988	Aug. 1988	Sept 1988	Oct. 1988	Nov. 1988	Dec. 1988	Jan. 1989	Feb. 1989
PERSONAL FINANCIAL PROGRESS:													
Continuous increase (a)	20%	25%	18%	19%	24%	19%	25%	25%	20%	21%	22%	23%	22%
Intermittant increase (b)	31	30	30	24	25	31	26	28	25	25	23	29	29
Remain unchanged (c)	15	17	20	21	19	16	16	17	18	18	20	18	17
Intermittant decline (d)	13	13	16	17	16	13	14	10	15	16	16	13	12
Continuous decline (e)	3	3	3	4	4	4	4	3	6	4	4	5	5
Mixed change (f)	13	9	9	13	9	13	8	12	11	11	11	10	11
DK,NA	5	3	4	2	3	4	7	5	5	5	4	2	4
TOTAL	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%
CASES	500	500	504	500	500	501	500	500	501	508	500	501	500

Combination of the responses to the questions on Tables 4 and 6.

Key: (a) Better off financially than a year ago/Better off a year from now
 (b) Better/Same or Same/Better
 (c) Same/Same
 (d) Worse/Same or Same/Worse
 (e) Worse/Worse
 (f) Worse/Better or Better/Worse

CHART 8 - RECENT CHANGES
MEDIAN EXPECTED CHANGE IN FAMILY INCOME

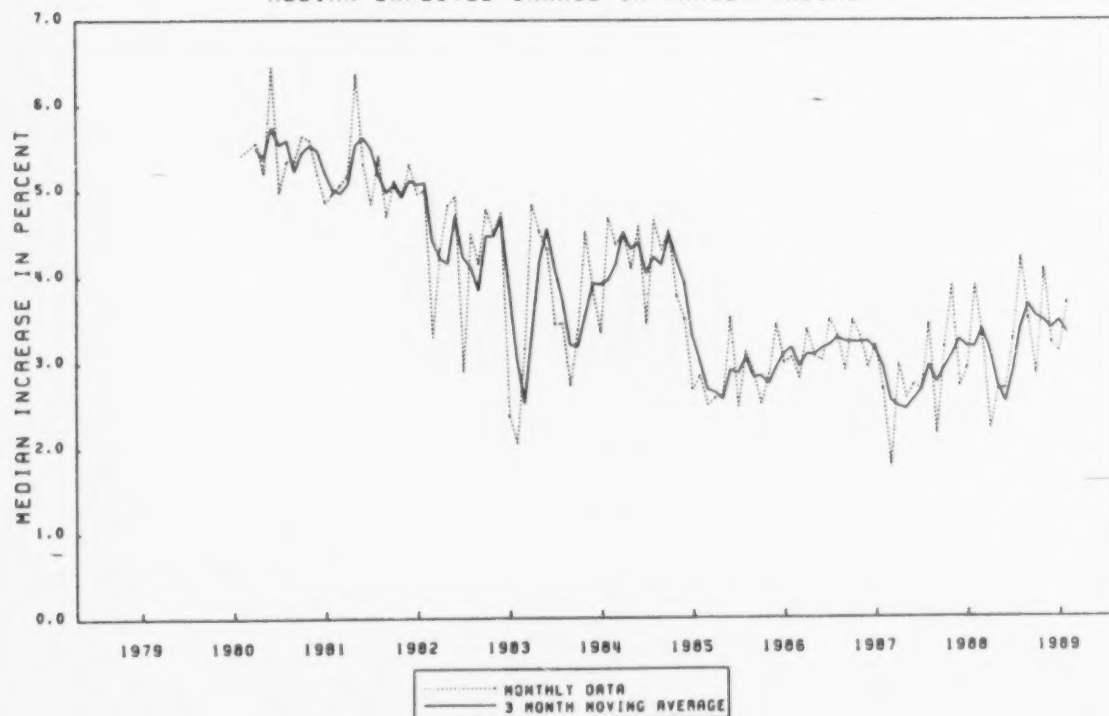


CHART 8 - HISTORICAL SERIES
MEDIAN EXPECTED CHANGE IN FAMILY INCOME

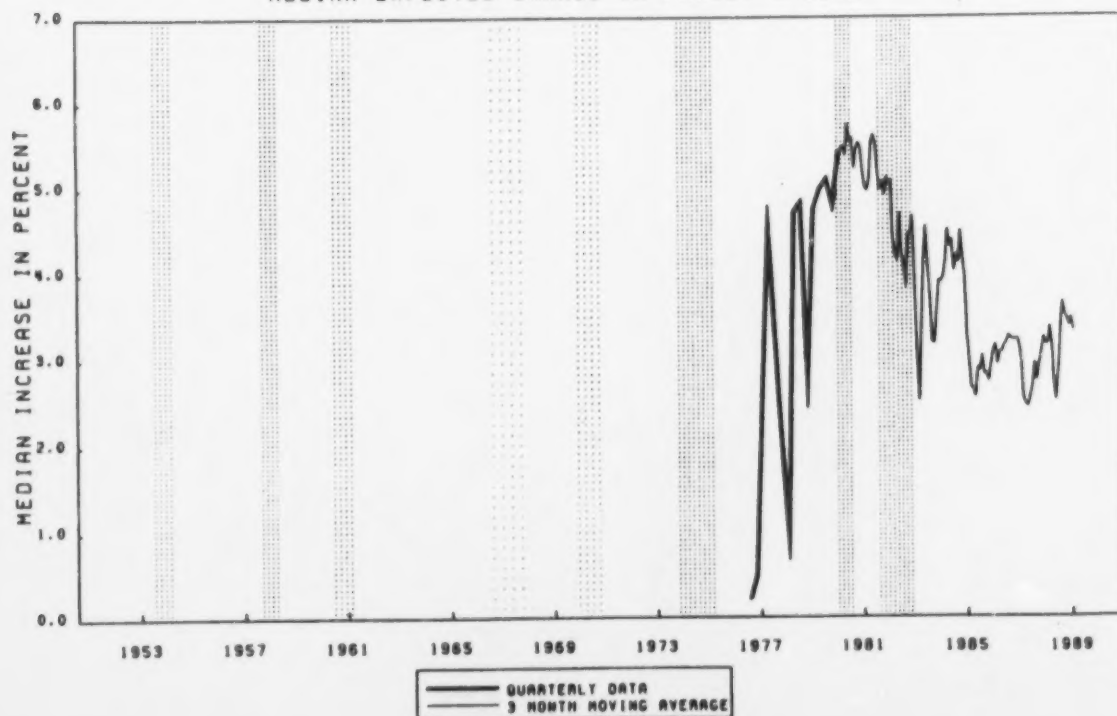


TABLE 8

EXPECTED FAMILY INCOME CHANGE DURING THE NEXT 12 MONTHS

	Feb. 1988	Mar. 1988	Apr. 1988	May 1988	June 1988	July 1988	Aug. 1988	Sept 1988	Oct. 1988	Nov. 1988	Dec. 1988	Jan. 1989	Feb. 1989
EXPECT INCREASE:													
1-4%	16%	16%	16%	15%	15%	18%	14%	16%	16%	18%	21%	15%	17%
5%	15	11	9	12	9	10	14	10	12	11	11	9	15
6-9%	8	7	6	7	7	10	9	8	6	9	7	10	7
10-24%	17	17	14	13	15	14	17	16	15	15	15	14	15
25% or more	5	7	6	9	6	7	5	8	6	7	6	8	7
DK how much up	2	2	6	2	5	5	6	6	5	7	4	4	5
EXPECT SAME	23	29	30	28	28	24	25	25	27	20	22	27	22
EXPECT DOWN	12	9	12	13	13	11	9	10	12	11	13	13	11
DK, NA	2	2	1	1	2	1	1	1	1	2	1	*	1
TOTAL	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%
CASES	500	500	504	500	500	501	500	500	501	508	500	501	500

The questions were: "During the next 12 months, do you expect your (family) income to be higher or lower than during the past year?" and "By about what percent do you expect your (family) income to increase during the next 12 months?"

* : Less than half of one percent.

CHART 9 - RECENT CHANGES
INCOME OR PRICES UP MORE NEXT YEAR

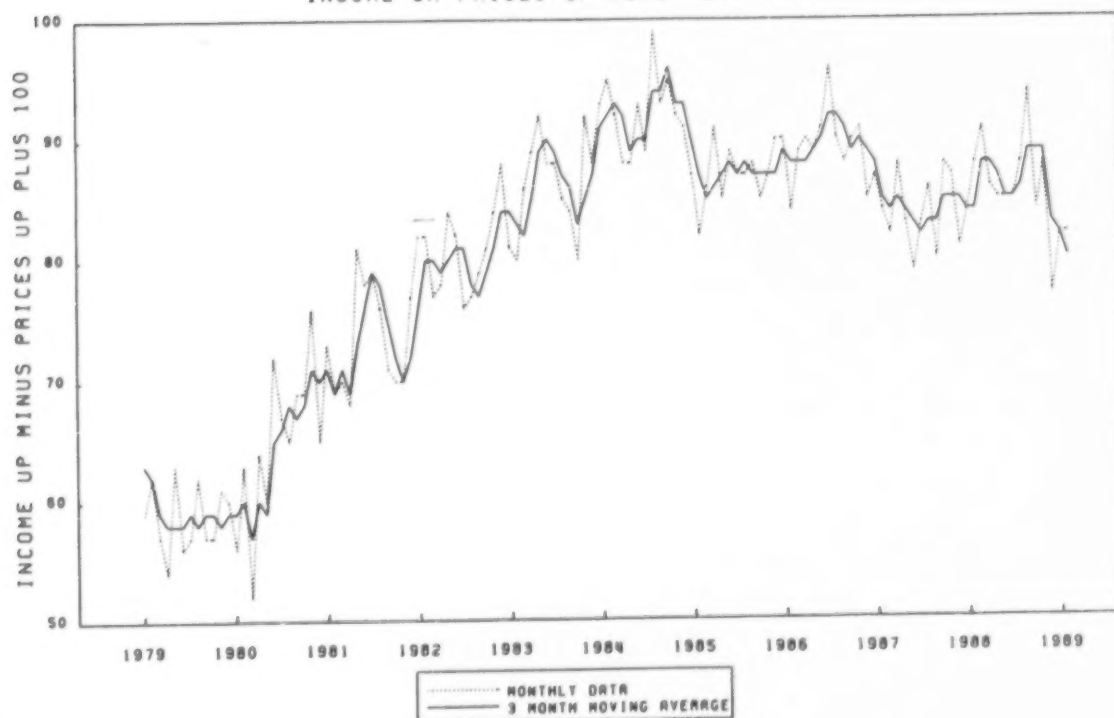


CHART 9 - HISTORICAL SERIES
INCOME OR PRICES UP MORE NEXT YEAR

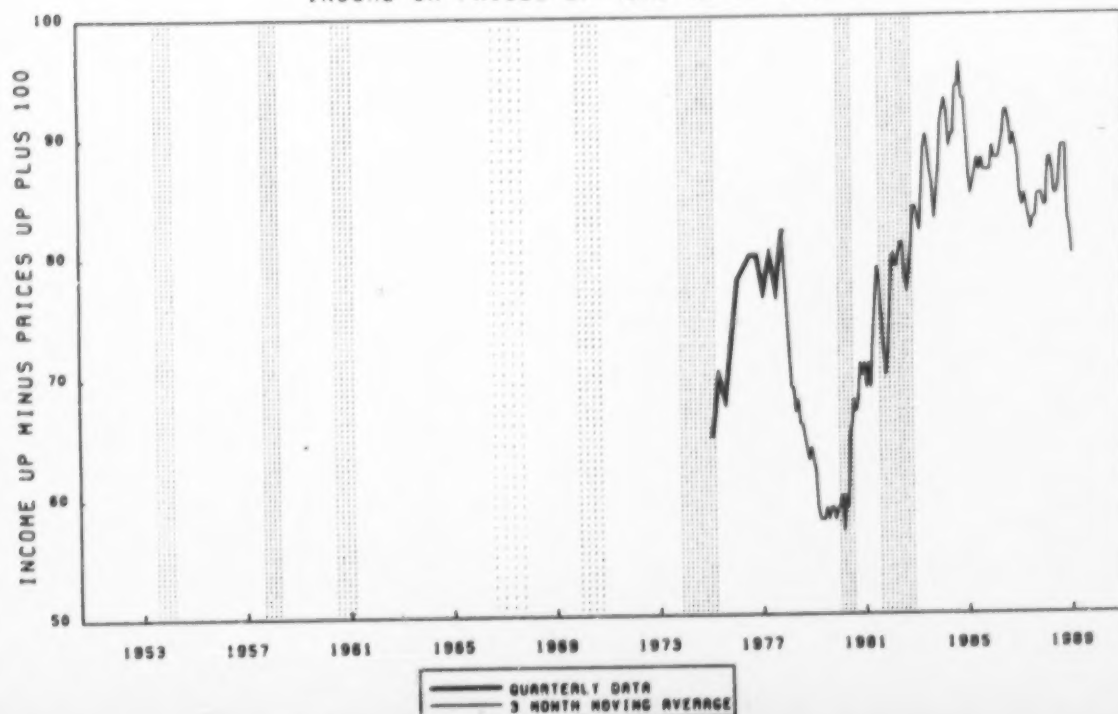


TABLE 9

EXPECTED CHANGE IN REAL FAMILY INCOME

	Feb. 1988	Mar. 1988	Apr. 1988	May 1988	June 1988	July 1988	Aug. 1988	Sept 1988	Oct. 1988	Nov. 1988	Dec. 1988	Jan. 1989	Feb. 1989
INCOME UP MORE	20%	22%	19%	19%	18%	19%	20%	25%	18%	21%	17%	19%	18%
INCOME UP SAME	45	44	47	44	46	46	43	41	46	43	41	41	43
PRICES UP MORE	32	31	33	34	33	34	32	31	34	33	40	37	36
DK,NA	3	3	1	3	3	1	5	3	2	3	2	3	3
TOTAL	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%
CASES	500	500	504	500	500	501	500	500	501	508	500	501	500

The question was: "How about the next year or two--do you expect that your (family) income will go up more than prices will go up, about the same, or less than prices will go up?"

CHART 10 - RECENT CHANGES
NEWS HEARD OF RECENT CHANGES IN BUSINESS CONDITIONS

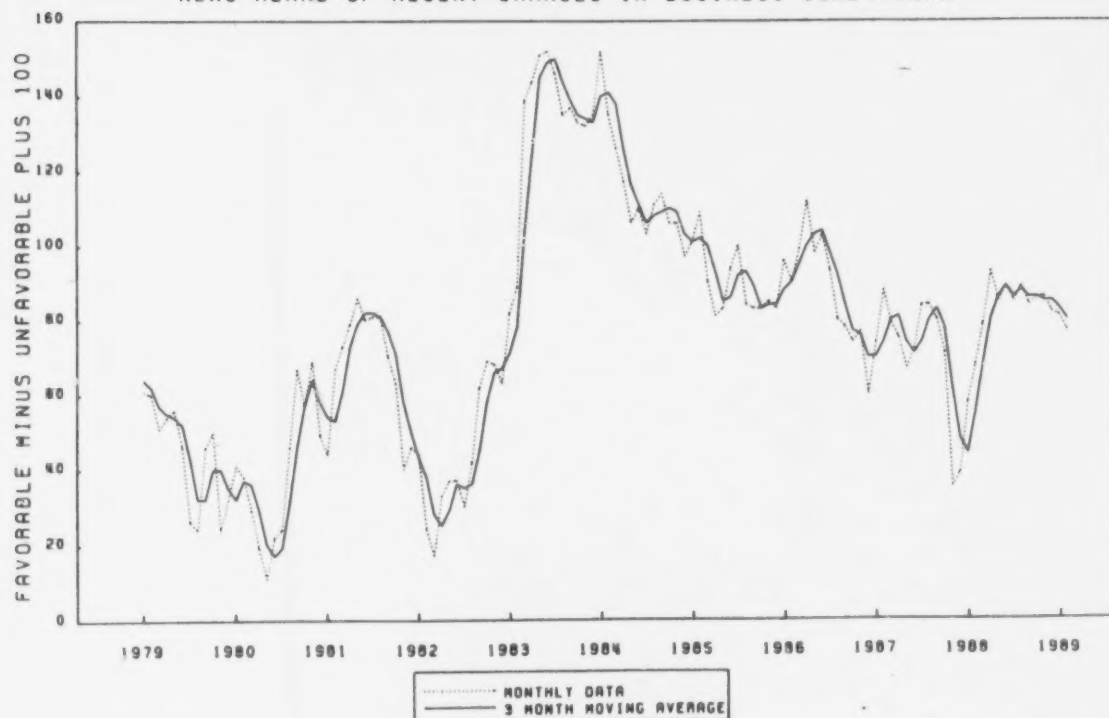


CHART 10 - HISTORICAL SERIES
NEWS HEARD OF RECENT CHANGES IN BUSINESS CONDITIONS

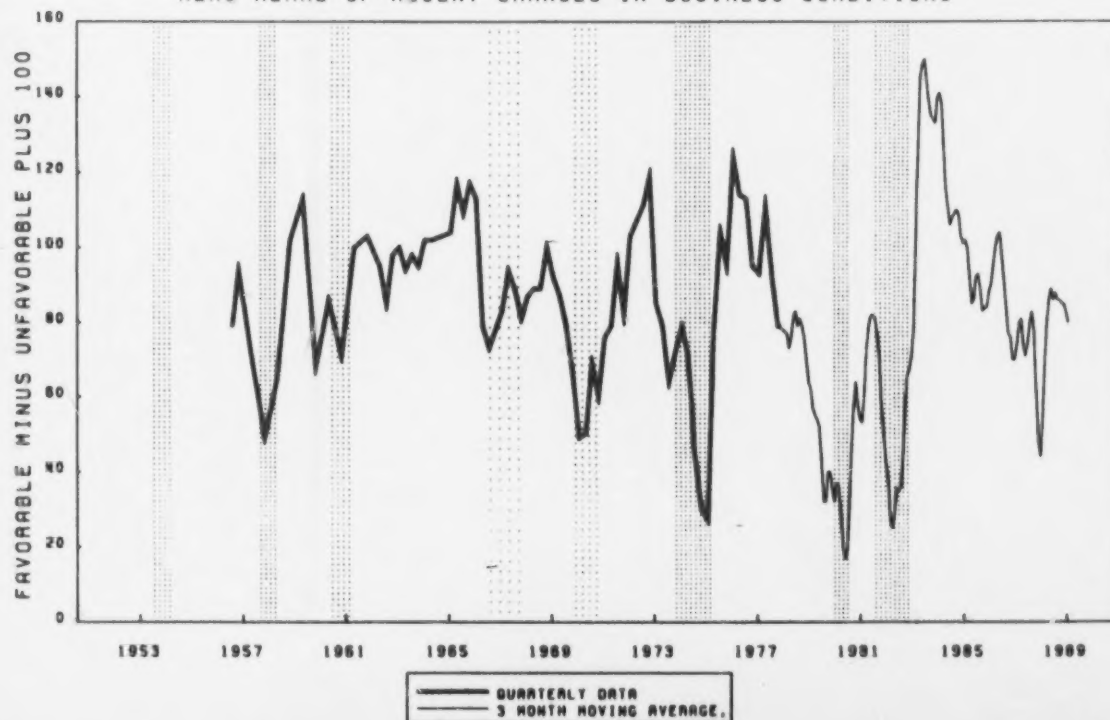


TABLE 10
NEWS HEARD OF RECENT CHANGES IN BUSINESS CONDITIONS +

	Feb. 1988	Mar. 1988	Apr. 1988	May 1988	June 1988	July 1988	Aug. 1988	Sept 1988	Oct. 1988	Nov. 1988	Dec. 1988	Jan. 1989	Feb. 1989
FAVORABLE NEWS	26%	29%	30%	33%	29%	29%	28%	32%	29%	25%	30%	24%	27%
UNFAVORABLE NEWS	58	50	37	48	40	44	39	48	43	39	48	43	50
NO MENTIONS	42	45	51	44	50	50	53	46	52	54	50	55	48

The questions were: "During the last few months, have you heard of any favorable or unfavorable changes in business conditions?" and "What did you hear?"

+ : May add to more than 100% due to multiple mentions.

CHART 11A - HISTORICAL SERIES
TYPE OF NEWS HEARD ABOUT CHANGES IN BUSINESS CONDITIONS

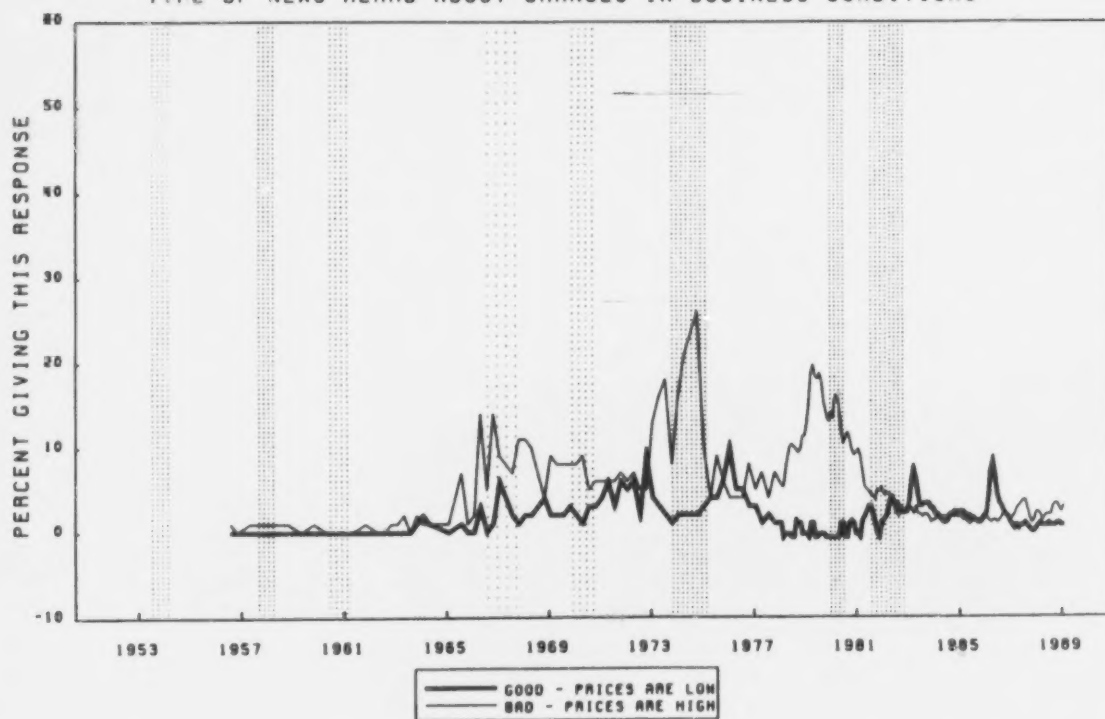


CHART 11B - HISTORICAL SERIES
TYPE OF NEWS HEARD ABOUT CHANGES IN BUSINESS CONDITIONS

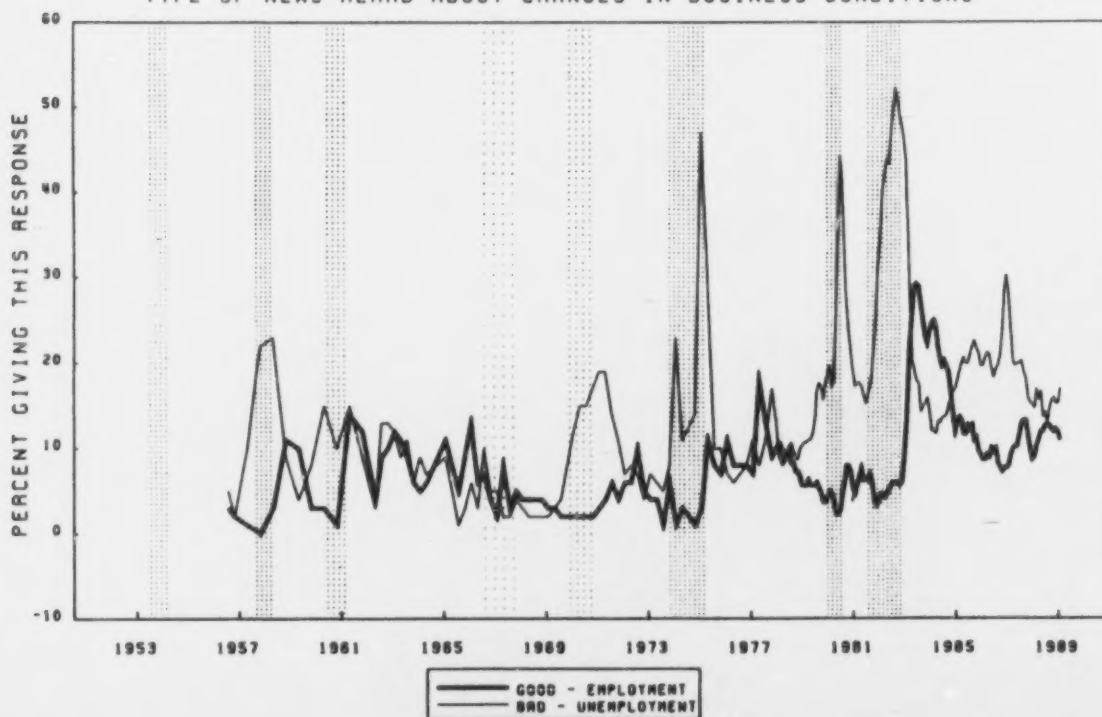


TABLE 11
SELECTED ITEMS OF
NEWS HEARD OF RECENT CHANGES IN BUSINESS CONDITIONS +

	Feb. 1988	Mar. 1988	Apr. 1988	May 1988	June 1988	July 1988	Aug. 1988	Sept 1988	Oct. 1988	Nov. 1988	Dec. 1988	Jan. 1989	Feb. 1989
FAVORABLE NEWS:													
Government; elections	1%	1%	2%	3%	2%	1%	2%	3%	2%	2%	4%	2%	5%
Employment	11	11	11	14	11	13	14	11	12	13	12	11	10
Higher consumer demand	1	2	1	3	1	3	2	2	2	2	2	2	1
Lower prices	1	1	*	1	1	1	*	1	1	1	1	*	1
Easier credit	4	2	2	2	1	1	1	1	1	1	1	1	1
Stock market	1	2	3	2	3	3	1	2	2	1	1	2	1
Trade deficit	2	3	2	1	2	1	1	3	2	1	1	1	1
UNFAVORABLE NEWS:													
Government; elections	6	3	5	5	6	4	3	3	5	6	7	7	7
Unemployment	13	22	12	16	13	14	12	18	17	13	16	17	18
Lower consumer demand	3	1	3	3	2	2	3	3	3	2	2	2	4
Higher prices	1	1	2	2	2	2	2	5	3	2	3	2	4
Tighter credit	2	1	1	4	3	3	7	6	4	2	6	4	5
Stock market	18	10	7	7	6	5	3	2	3	3	4	1	1
Trade deficit	4	3	3	4	3	1	2	1	1	4	2	2	3

The questions were: "During the last few months, have you heard of any favorable or unfavorable changes in business conditions?" and "What did you hear?"

+ : May add to more than 100% due to multiple mentions.

* : Less than half of one percent.

CHART 12 - RECENT CHANGES
CURRENT BUSINESS CONDITIONS COMPARED WITH A YEAR AGO

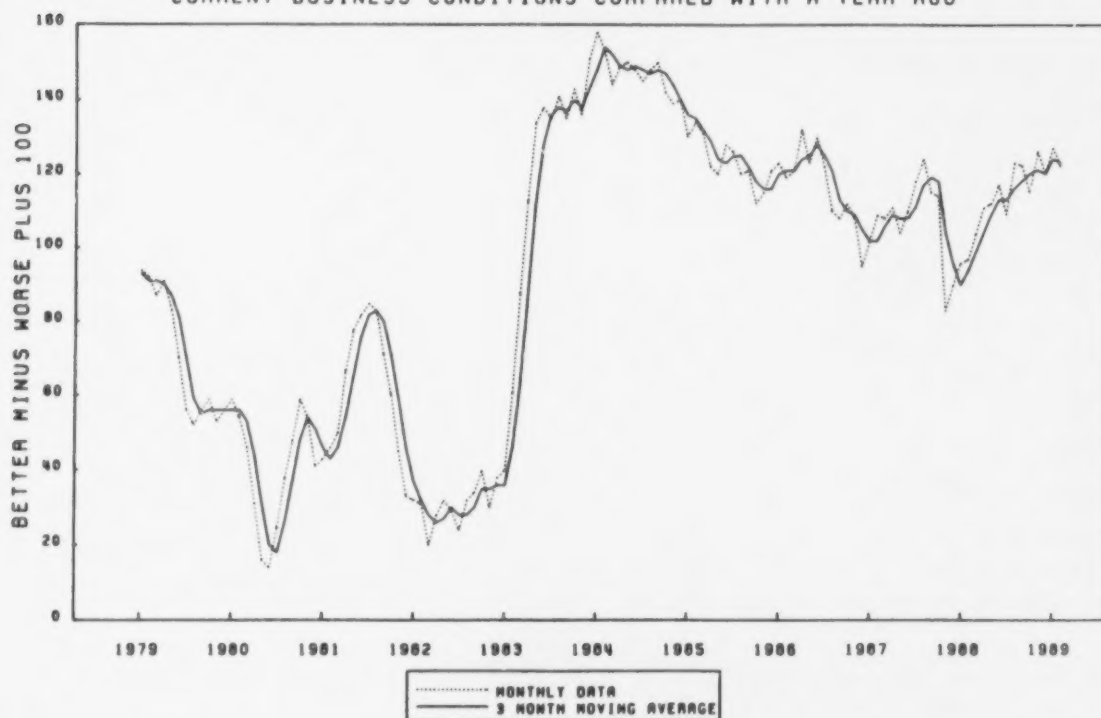


CHART 12 - HISTORICAL SERIES
CURRENT BUSINESS CONDITIONS COMPARED WITH A YEAR AGO

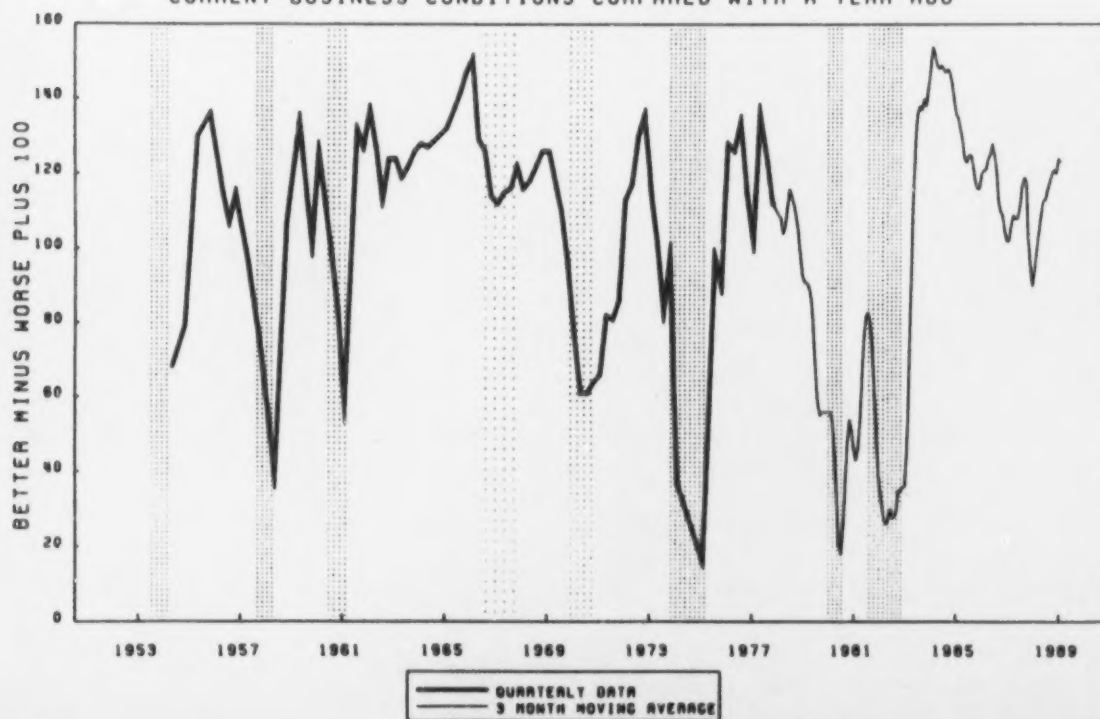


TABLE 12

CURRENT BUSINESS CONDITIONS COMPARED TO A YEAR AGO

	Feb. 1988	Mar. 1988	Apr. 1988	May 1988	June 1988	July 1988	Aug. 1988	Sept 1988	Oct. 1988	Nov. 1988	Dec. 1988	Jan. 1989	Feb. 1989
BETTER NOW	41%	40%	47%	47%	47%	45%	51%	50%	46%	54%	49%	53%	48%
SAME	13	21	14	17	21	15	18	20	21	17	20	19	22
WORSE NOW	44	36	36	35	30	36	28	28	31	28	29	26	26
DK,NA	2	3	3	1	2	4	3	2	2	1	2	2	4
TOTAL	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%
CASES	500	500	504	500	500	501	500	500	501	508	500	501	500

The question was: "Would you say that at the present time business conditions are better or worse than they were a year ago?"

CHART 13 - RECENT CHANGES
 EXPECTED CHANGE IN BUSINESS CONDITIONS IN A YEAR



CHART 13 - HISTORICAL SERIES
 EXPECTED CHANGE IN BUSINESS CONDITIONS IN A YEAR

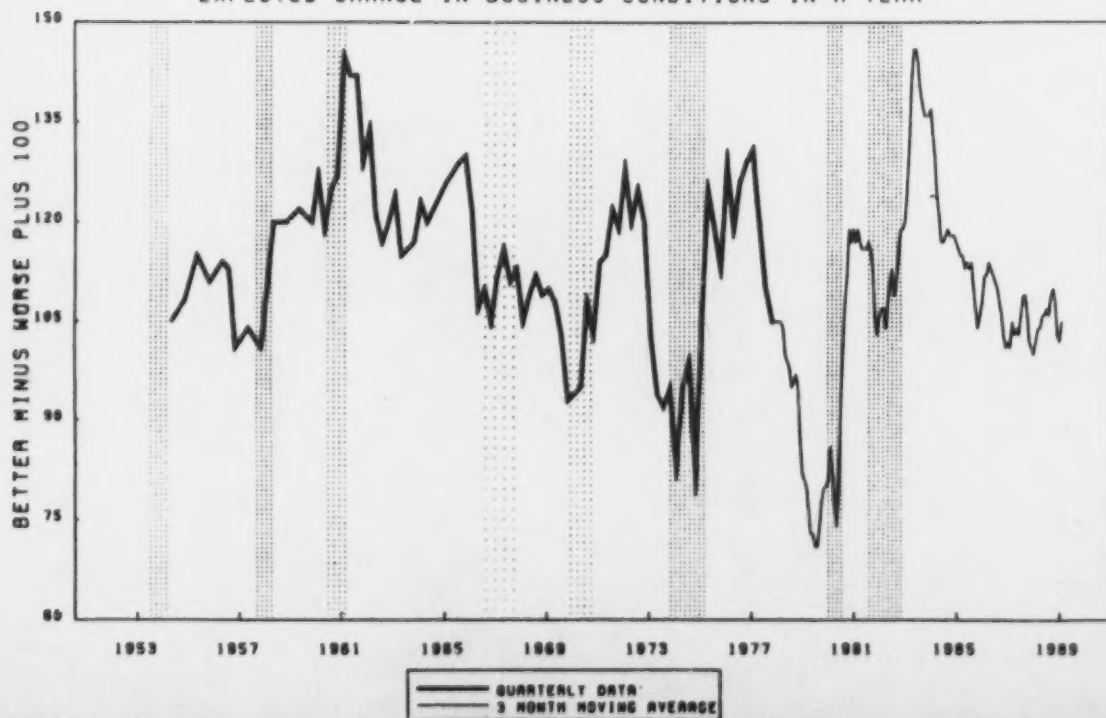


TABLE 13

EXPECTED CHANGE IN BUSINESS CONDITIONS IN A YEAR

	Feb. 1988	Mar. 1988	Apr. 1988	May 1988	June 1988	July 1988	Aug. 1988	Sept 1988	Oct. 1988	Nov. 1988	Dec. 1988	Jan. 1989	Feb. 1989
BETTER	23%	21%	21%	26%	24%	23%	24%	27%	23%	19%	19%	23%	26%
SAME	58	58	57	53	54	53	54	55	59	60	59	56	54
WORSE	17	17	18	16	19	18	16	14	14	18	19	17	17
DK,NA	2	4	4	5	3	6	6	4	4	3	3	4	3
TOTAL	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%
CASES	500	500	504	500	500	501	500	500	501	508	500	501	500

The question was: "And how about a year from now, do you expect that in the country as a whole business conditions will be better, or worse than they are at present, or just about the same?"

CHART 14 - RECENT CHANGES
TREND IN PAST AND EXPECTED BUSINESS CONDITIONS



CHART 14 - HISTORICAL SERIES
TREND IN PAST AND EXPECTED BUSINESS CONDITIONS

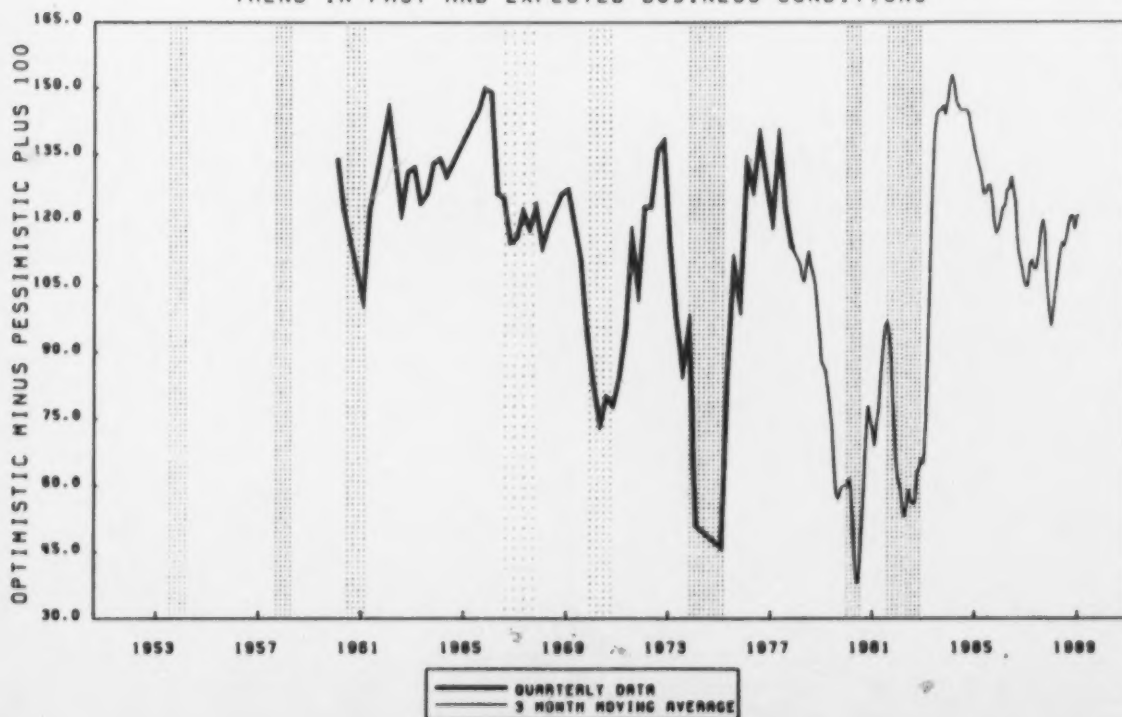


TABLE 14

TREND IN PAST AND EXPECTED CHANGES IN BUSINESS CONDITIONS

	Feb. 1988	Mar. 1988	Apr. 1988	May 1988	June 1988	July 1988	Aug. 1988	Sept 1988	Oct. 1988	Nov. 1988	Dec. 1988	Jan. 1989	Feb. 1989
TREND:													
Continuous increase (a)	12%	10%	14%	16%	15%	12%	18%	18%	15%	13%	10%	16%	18%
Intermittant increase (b)	27	30	30	29	30	28	29	31	31	35	35	34	28
Remain unchanged (c)	10	12	9	9	13	9	11	11	13	10	12	11	13
Intermittant decline (d)	24	21	20	20	18	20	17	19	19	21	19	16	21
Continuous decline (e)	12	10	12	10	10	10	8	6	9	7	9	8	5
Mixed change (f)	11	11	9	11	10	12	8	9	7	10	10	9	10
DK, NA	4	6	6	5	4	9	9	6	6	4	5	6	5
TOTAL	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%
CASES	500	500	504	500	500	501	500	500	501	508	500	501	500

Combination of the responses to the questions on Tables 12 and 13.

- Key: (a) Better than a year ago/Better a year from now
 (b) Better/Same or Same/Better
 (c) Same/Same
 (d) Worse/Same or Same/Worse
 (e) Worse/Worse
 (f) Worse/Better or Better/Worse

CHART 15 - RECENT CHANGES
BUSINESS CONDITIONS EXPECTED DURING THE NEXT TWELVE MONTHS



CHART 15 - HISTORICAL SERIES
BUSINESS CONDITIONS EXPECTED DURING THE NEXT TWELVE MONTHS

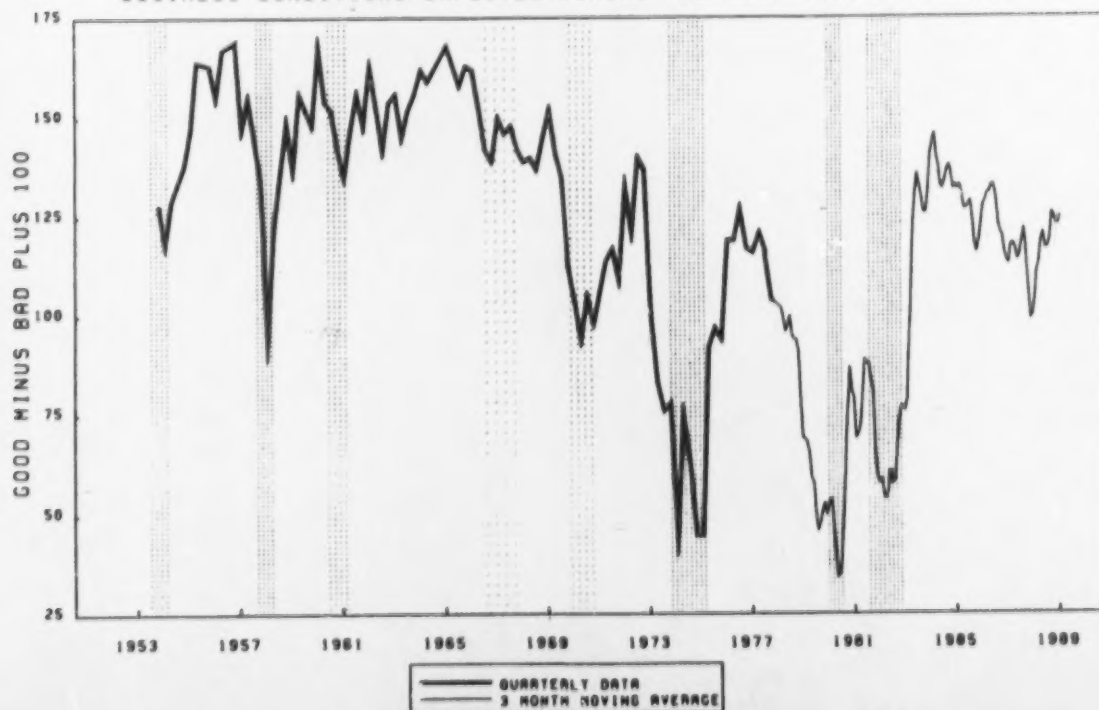


TABLE 15
BUSINESS CONDITIONS EXPECTED DURING THE NEXT 12 MONTHS

	Feb. 1988	Mar. 1988	Apr. 1988	May 1988	June 1988	July 1988	Aug. 1988	Sept 1988	Oct. 1988	Nov. 1988	Dec. 1988	Jan. 1989	Feb. 1989
GOOD TIMES	45%	47%	50%	54%	54%	44%	52%	53%	54%	53%	52%	56%	56%
UNCERTAIN; GOOD & BAD	4	4	4	4	3	4	4	5	7	4	5	4	3
BAD TIMES	37	33	33	29	33	38	27	28	25	31	33	28	28
DON'T KNOW	7	7	9	8	6	9	11	9	8	7	5	7	9
NOT ASCERTAINED	7	9	4	5	4	5	6	5	6	5	5	5	4
TOTAL	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%
CASES	500	500	504	500	500	501	500	500	501	508	500	501	500

The question was: "Now turning to business conditions in the country as a whole--do you think that during the next 12 months we'll have good times financially, or bad times or what?"

CHART 16 - RECENT CHANGES
BUSINESS CONDITIONS EXPECTED FOR THE NEXT FIVE YEARS



CHART 16 - HISTORICAL SERIES
BUSINESS CONDITIONS EXPECTED FOR THE NEXT FIVE YEARS

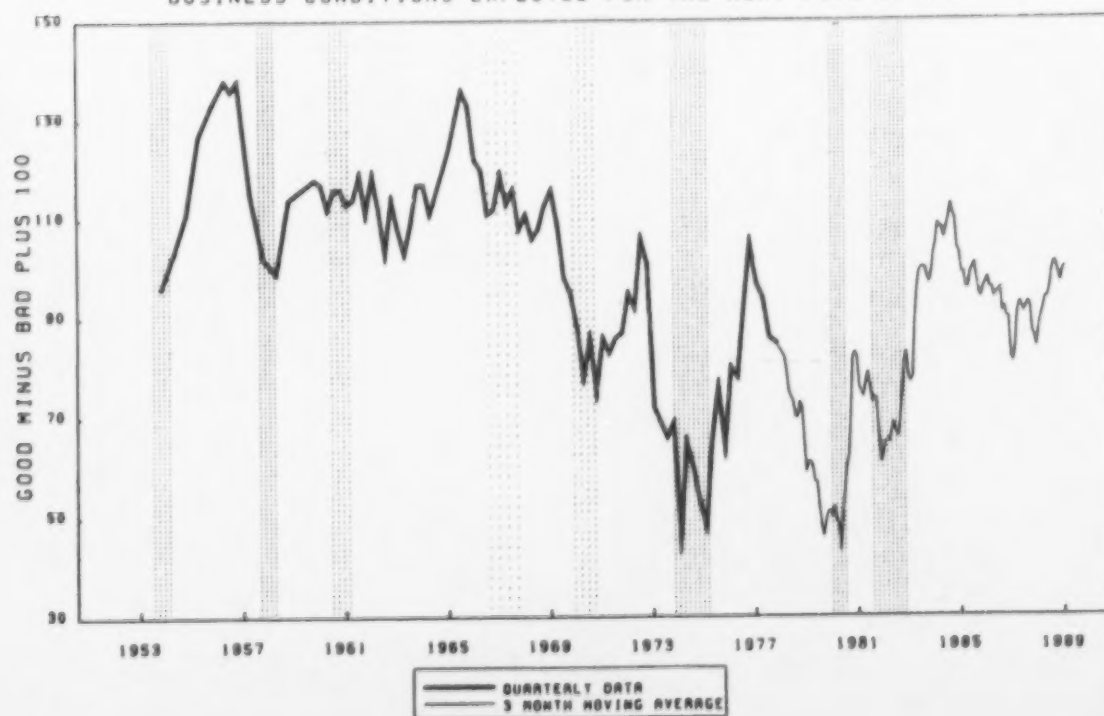


TABLE 16
BUSINESS CONDITIONS EXPECTED DURING THE NEXT FIVE YEARS

	Feb. 1988	Mar. 1988	Apr. 1988	May 1988	June 1988	July 1988	Aug. 1988	Sept 1988	Oct. 1988	Nov. 1988	Dec. 1988	Jan. 1989	Feb. 1989
GOOD TIMES	35%	39%	36%	41%	36%	39%	43%	41%	40%	40%	41%	45%	41%
UNCERTAIN; GOOD & BAD	15	14	15	13	16	11	16	17	12	14	12	9	12
BAD TIMES	45	43	47	43	41	43	38	39	43	43	43	42	42
NOT ASCERTAINED	5	4	2	3	7	7	3	3	5	3	4	4	5
TOTAL	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%
CASES	500	500	504	500	500	501	500	500	501	508	500	501	500

The question was: "Looking ahead, which would you say is more likely--that in the country as a whole we'll have continuous good times during the next 5 years or so, or that we will have periods of widespread unemployment or depression, or what?"

CHART 17 - RECENT CHANGES
EXPECTED CHANGE IN UNEMPLOYMENT



CHART 17 - HISTORICAL SERIES
EXPECTED CHANGE IN UNEMPLOYMENT

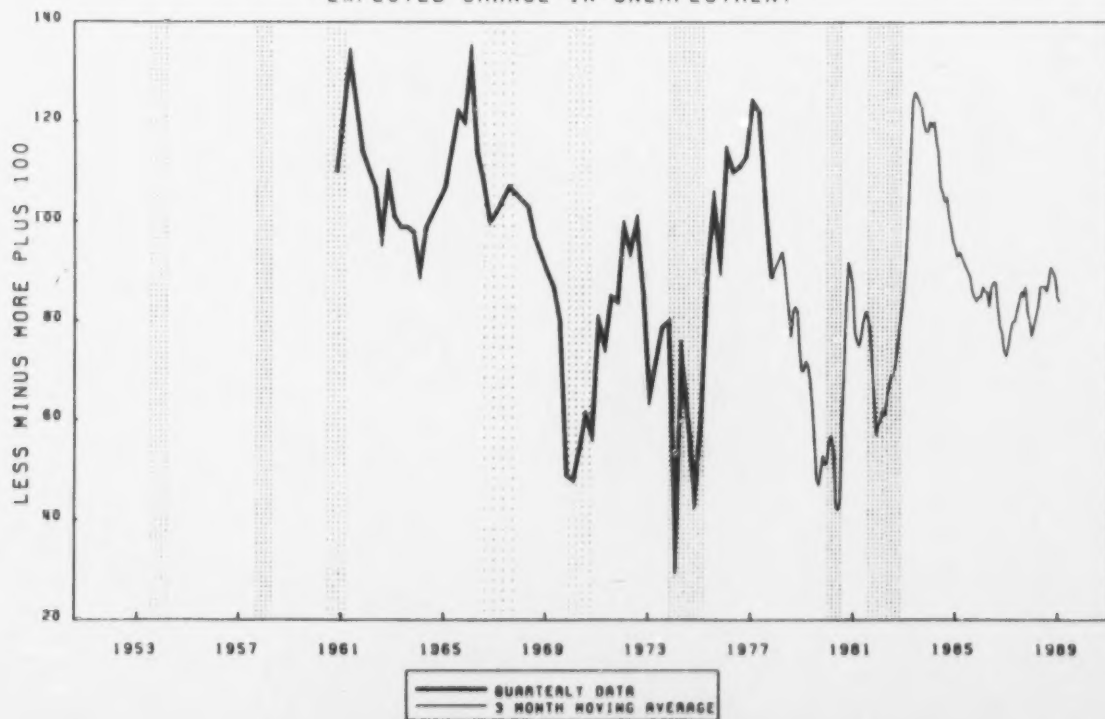


TABLE 17

EXPECTED CHANGE IN UNEMPLOYMENT

	Feb. 1988	Mar. 1988	Apr. 1988	May 1988	June 1988	July 1988	Aug. 1988	Sept 1988	Oct. 1988	Nov. 1988	Dec. 1988	Jan. 1989	Feb. 1989
LESS	12%	12%	14%	11%	15%	15%	15%	17%	16%	14%	15%	15%	13%
SAME	53	58	56	67	53	54	53	52	60	57	55	50	55
MORE	33	28	28	21	31	29	27	27	22	27	28	34	30
DK,NA	2	2	2	1	1	2	5	4	2	2	2	1	2
TOTAL	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%
CASES	500	500	504	500	500	501	500	500	501	508	500	501	500

The question was: "How about people out of work during the coming 12 months--do you think that there will be more unemployment than now, about the same, or less?"

CHART 18 - RECENT CHANGES
EXPECTED CHANGE IN INTEREST RATES

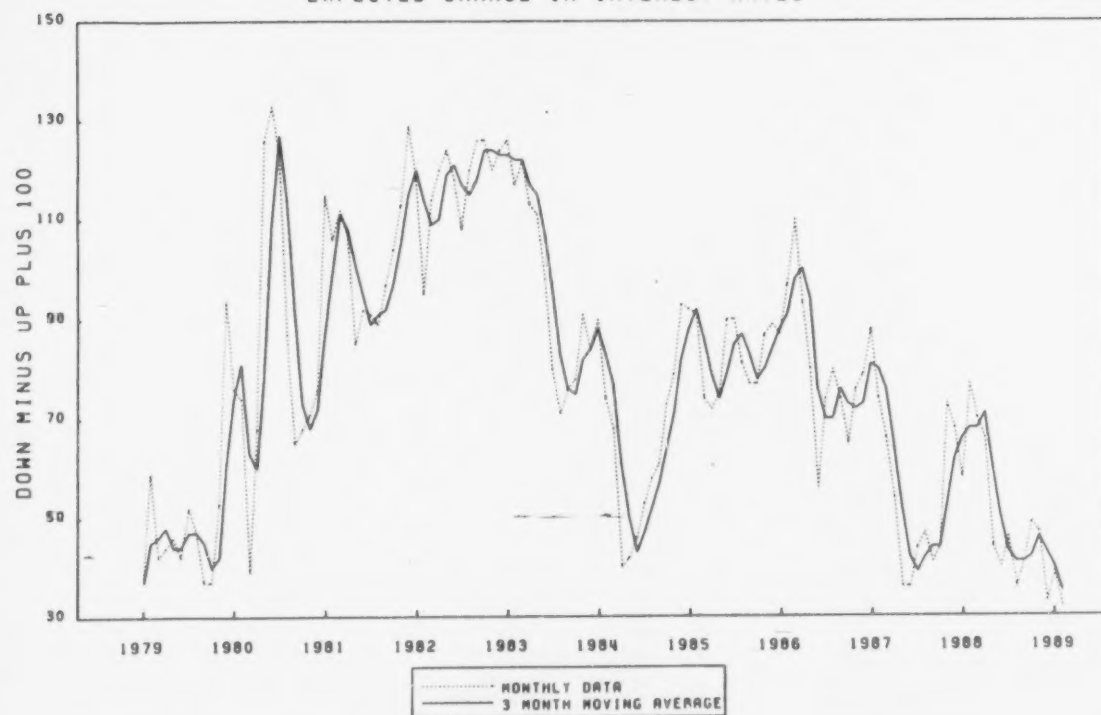


CHART 18 - HISTORICAL SERIES
EXPECTED CHANGE IN INTEREST RATES

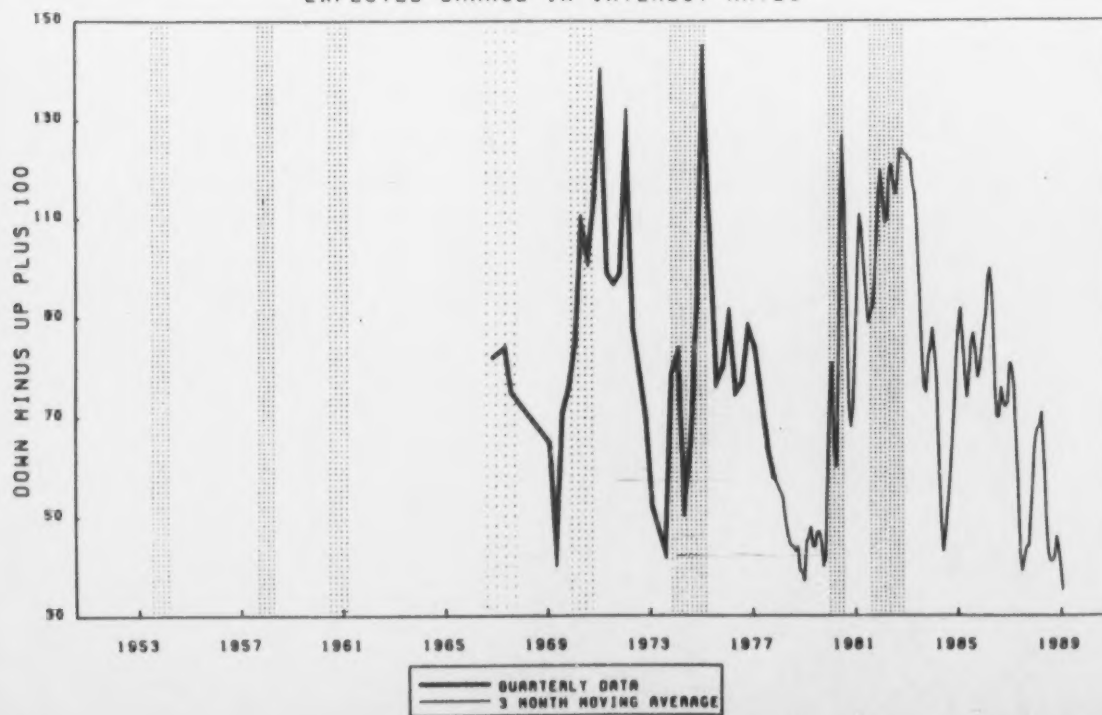


TABLE 19
EXPECTED CHANGE IN PRICES DURING THE NEXT 12 MONTHS

	Feb. 1988	Mar. 1988	Apr. 1988	May 1988	June 1988	July 1988	Aug. 1988	Sept 1988	Oct. 1988	Nov. 1988	Dec. 1988	Jan. 1989	Feb. 1989
SAME OR DOWN	17%	18%	14%	13%	13%	8%	8%	8%	9%	11%	10%	10%	11%
WILL GO UP BY:													
1-2%	21	19	19	19	18	15	15	16	20	15	16	20	15
3-4%	23	24	25	26	20	23	23	25	21	28	26	23	24
5%	16	19	18	18	20	19	22	21	20	18	20	19	22
6-9%	6	6	7	7	8	12	9	10	8	8	8	9	10
10-14%	7	6	7	6	9	12	8	7	9	9	11	7	8
15% or more	5	3	4	6	6	6	6	6	5	5	4	6	4
DK how much up	4	5	5	4	5	5	8	6	6	5	4	5	5
DK,NA	1	*	1	1	1	*	1	1	2	1	1	1	1
TOTAL	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%
MEAN INCREASE	4.5	4.1	4.5	4.9	5.6	5.6	5.4	5.5	5.2	5.4	5.0	5.1	4.8
VARIANCE	40	26	31	41	60	37	38	52	40	55	32	41	29
CASES	500	500	504	500	500	501	500	500	501	508	500	501	500

The questions were: "During the next 12 months, do you think that prices in general will go up, or go down, or stay where they are now?" and "By about what percent do you expect prices to go up, on the average, during the next 12 months?"

* : Less than half of one percent.

CHART 20 - RECENT CHANGES
OPINIONS ABOUT THE GOVERNMENT'S ECONOMIC POLICY

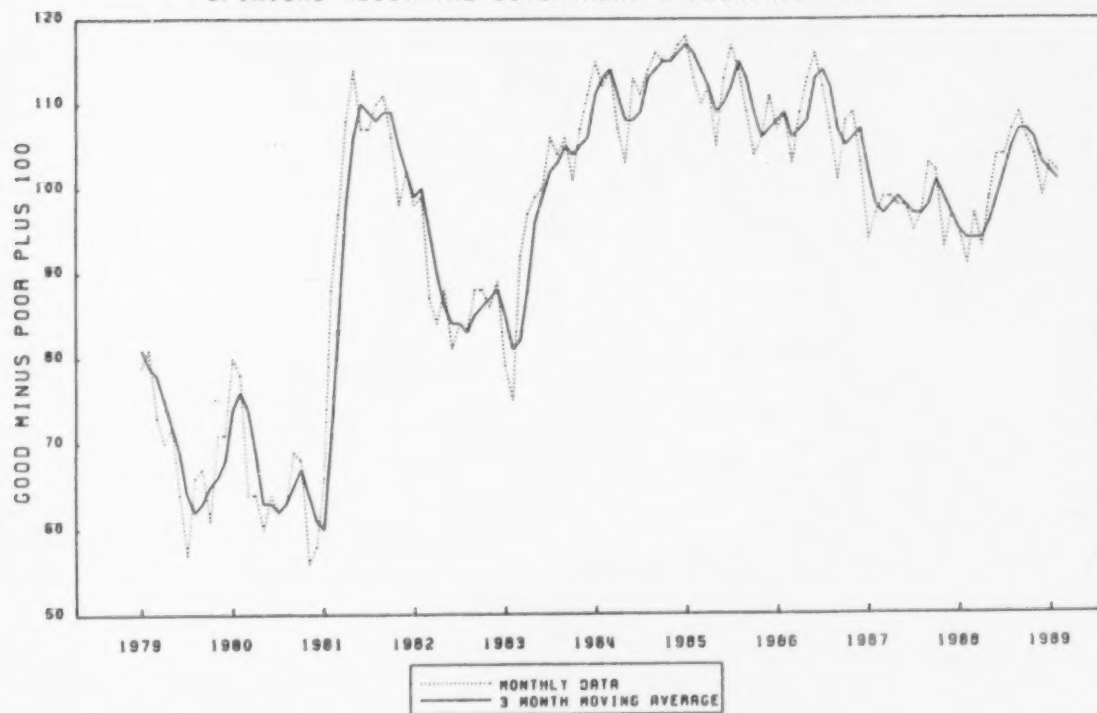


CHART 20 - HISTORICAL SERIES
OPINIONS ABOUT THE GOVERNMENT'S ECONOMIC POLICY

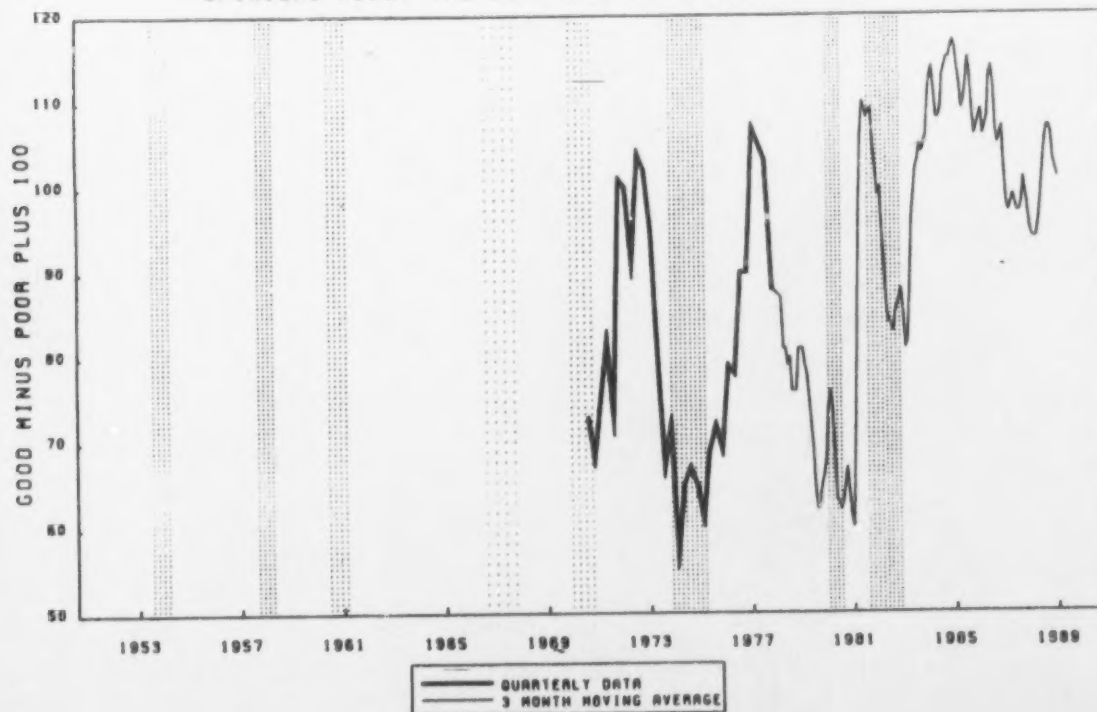


TABLE 21
BUYING CONDITIONS FOR LARGE HOUSEHOLD GOODS

	Feb. 1988	Mar. 1988	Apr. 1988	May 1988	June 1988	July 1988	Aug. 1988	Sept 1988	Oct. 1988	Nov. 1988	Dec. 1988	Jan. 1989	Feb. 1989
GOOD TIME TO BUY	72%	71%	73%	79%	74%	79%	74%	71%	73%	73%	70%	78%	71%
UNCERTAIN, DEPENDS	11	14	8	7	15	9	12	15	12	10	10	9	12
BAD TIME TO BUY	17	15	19	14	11	12	14	14	15	17	20	13	17
TOTAL	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%
CASES	500	500	504	500	500	501	500	500	501	508	500	501	500

The question was: "About the big things people buy for their homes--such as furniture, a refrigerator, stove, television, and things like that. Generally speaking, do you think now is a good or a bad time for people to buy major household items?"

CHART 22A - HISTORICAL SERIES
REASONS FOR OPINIONS ABOUT BUYING CONDITIONS FOR DURABLES

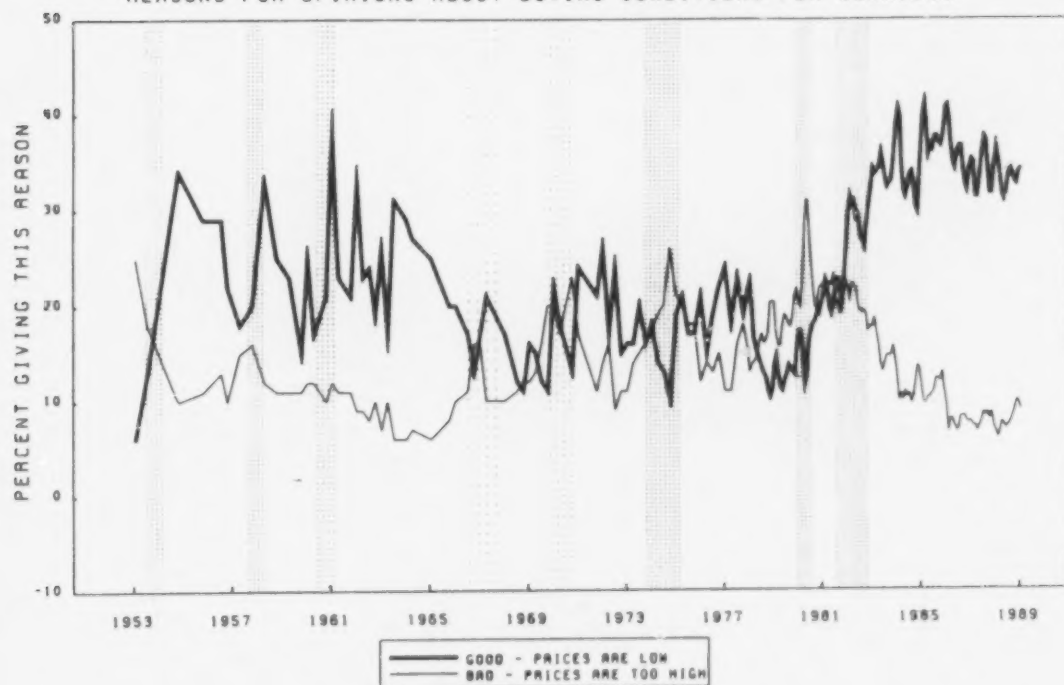


CHART 22B - HISTORICAL SERIES
REASONS FOR OPINIONS ABOUT BUYING CONDITIONS FOR DURABLES

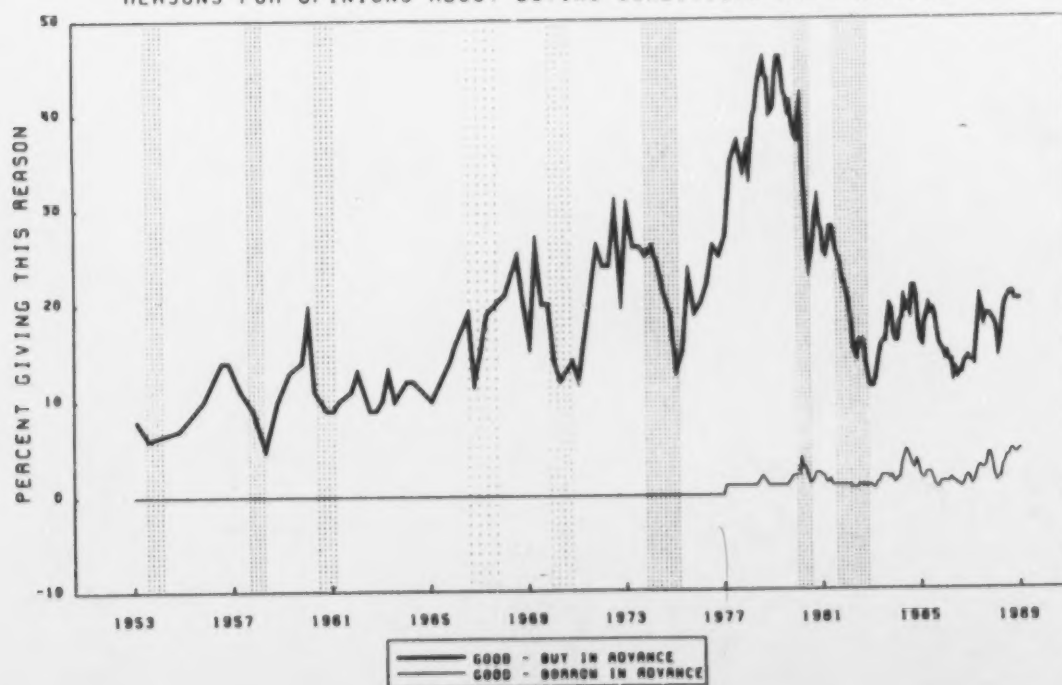


TABLE 20
OPINIONS ABOUT THE GOVERNMENT'S ECONOMIC POLICY

	Feb. 1988	Mar. 1988	Apr. 1988	May 1988	June 1988	July 1988	Aug. 1988	Sept 1988	Oct. 1988	Nov. 1988	Dec. 1988	Jan. 1989	Feb. 1989
A GOOD JOB	18%	23%	18%	21%	23%	25%	28%	29%	26%	27%	20%	27%	23%
ONLY FAIR	53	49	56	56	57	51	48	49	51	49	57	48	51
A POOR JOB	27	26	25	22	19	21	21	20	20	23	21	24	21
DK,NA	2	2	1	1	1	3	3	2	3	1	2	1	5
TOTAL	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%
CASES	500	500	504	500	500	501	500	500	501	508	500	501	500

The question was: "As to the economic policy of the government--I mean steps taken to fight inflation or unemployment--would you say the government is doing a good job, only fair, or a poor job?"

CHART 21 - RECENT CHANGES
BUYING CONDITIONS FOR LARGE HOUSEHOLD GOODS -

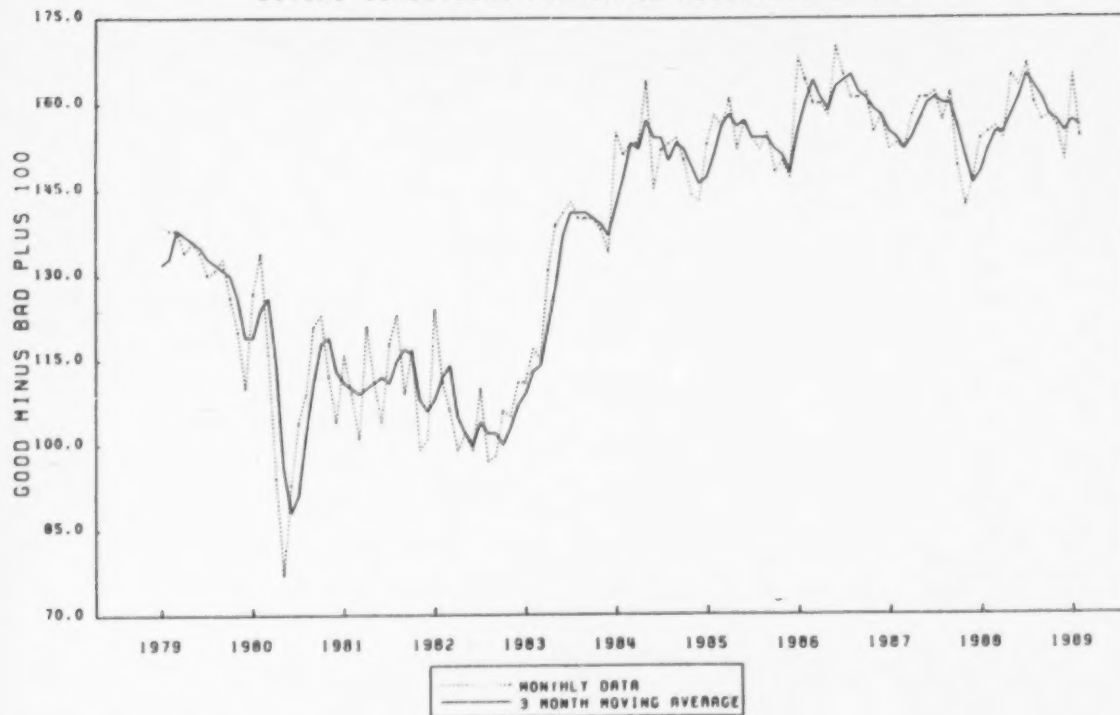


CHART 21 - HISTORICAL SERIES
BUYING CONDITIONS FOR LARGE HOUSEHOLD GOODS

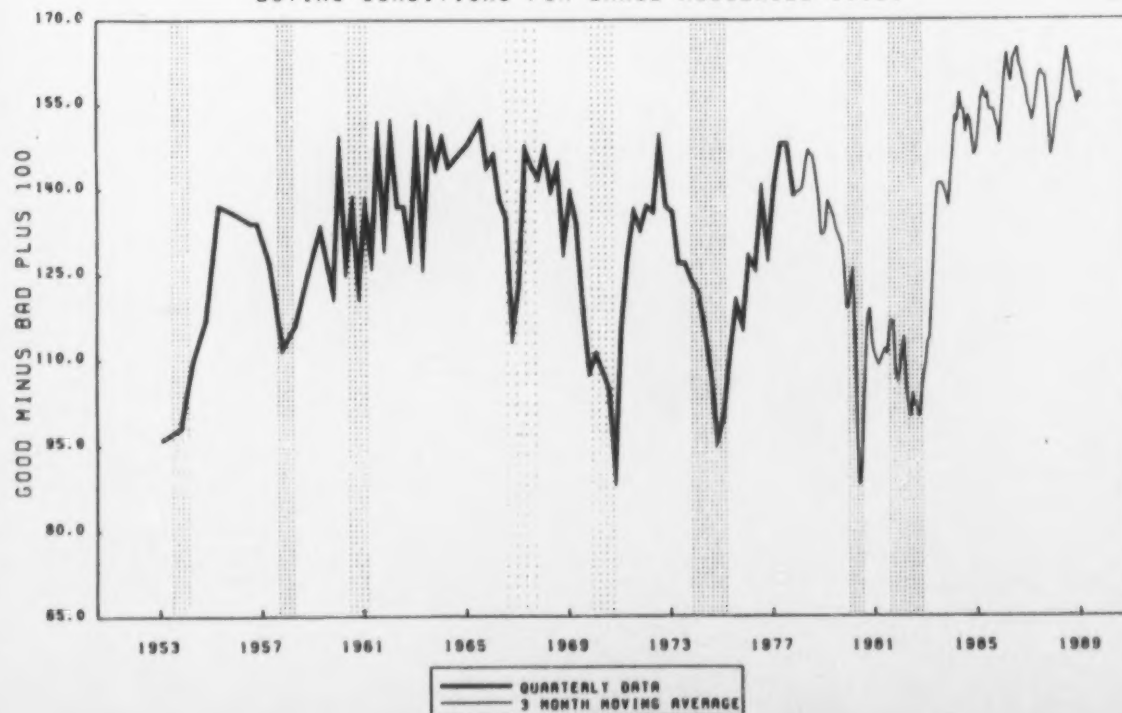


TABLE 18

EXPECTED CHANGE IN INTEREST RATES

	Feb. 1988	Mar. 1988	Apr. 1988	May 1988	June 1988	July 1988	Aug. 1988	Sept 1988	Oct. 1988	Nov. 1988	Dec. 1988	Jan. 1989	Feb. 1989
GO UP	44%	49%	48%	64%	67%	65%	71%	67%	62%	62%	74%	68%	75%
STAY THE SAME	32	29	35	26	24	22	19	21	24	27	16	23	16
GO DOWN	21	19	14	8	7	11	7	8	11	9	7	7	7
DK, NA	3	3	3	2	2	2	3	4	3	2	3	2	2
TOTAL	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%
CASES	500	500	504	500	500	501	500	500	501	508	500	501	500

The question was: "No one can say for sure, but what do you think will happen to interest rates for borrowing money during the next 12 months--will they go up, stay the same, or go down?"

CHART 19 - RECENT CHANGES
MEAN EXPECTED PRICE INCREASE OVER THE NEXT 12 MONTHS



CHART 19 - HISTORICAL SERIES
MEAN EXPECTED PRICE INCREASE OVER THE NEXT 12 MONTHS

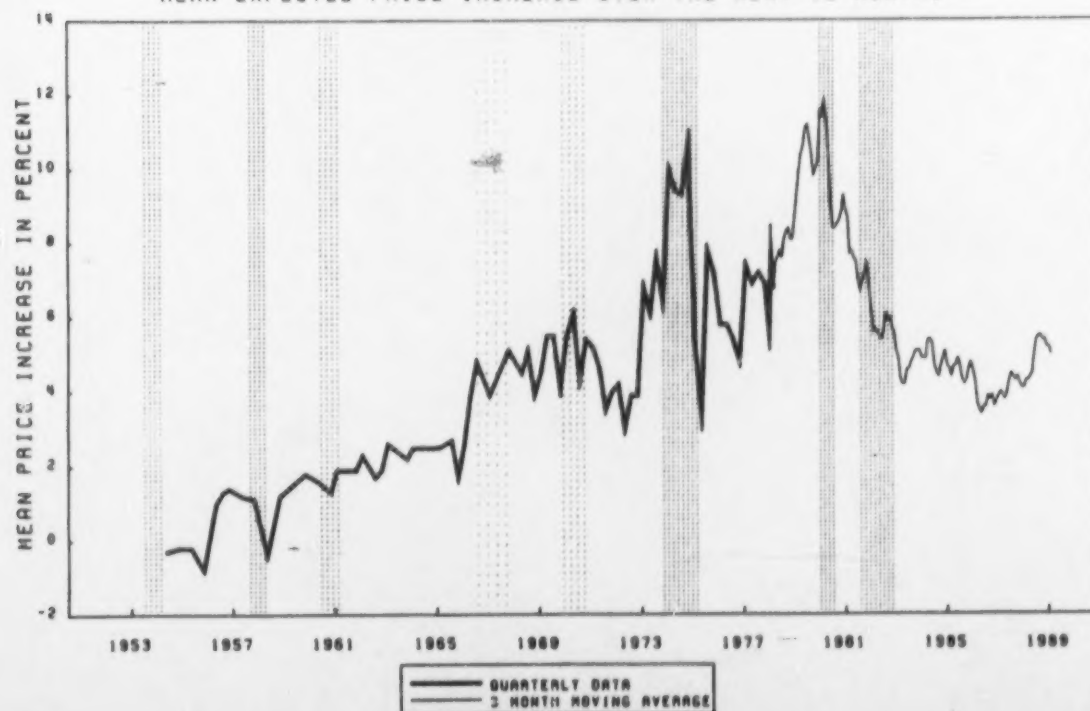


TABLE 22

SELECTED REASONS FOR OPINIONS ABOUT BUYING CONDITIONS FOR LARGE HOUSEHOLD GOODS +

	Feb. 1988	Mar. 1988	Apr. 1988	May 1988	June 1988	July 1988	Aug. 1988	Sept 1988	Oct. 1988	Nov. 1988	Dec. 1988	Jan. 1989	Feb. 1989
--	--------------	--------------	--------------	-------------	--------------	--------------	--------------	--------------	--------------	--------------	--------------	--------------	--------------

GOOD TIME TO BUY:

Prices are low; good buys available	36%	33%	32%	30%	31%	34%	36%	33%	32%	34%	32%	36%	35%
Prices won't come down; are going higher	14	15	19	20	20	21	21	21	21	19	21	21	19
Interest rates are low	8	10	9	6	8	7	7	7	7	8	4	5	4
Borrow-in-advance of rising interest rates	1	2	2	5	3	4	5	5	4	4	5	5	4
Times are good; prosperity	7	8	10	7	7	10	7	5	8	5	7	7	9

BAD TIME TO BUY:

Prices are high	5	8	7	8	7	6	9	8	8	11	11	7	9
Interest rates are high; credit is tight	5	4	4	4	2	2	3	3	4	3	5	2	5
Times are bad; can't afford to buy	6	5	6	3	2	3	3	2	4	3	3	4	5
Bad times ahead; uncertain future	4	2	4	2	1	3	3	3	2	1	3	3	3

Responses to the query: "Why do you say so?" following the question on Table 21.
+ : May add to more than 100% due to multiple mentions.

CHART 22C - HISTORICAL SERIES
REASONS FOR OPINIONS ABOUT BUYING CONDITIONS FOR DURABLES

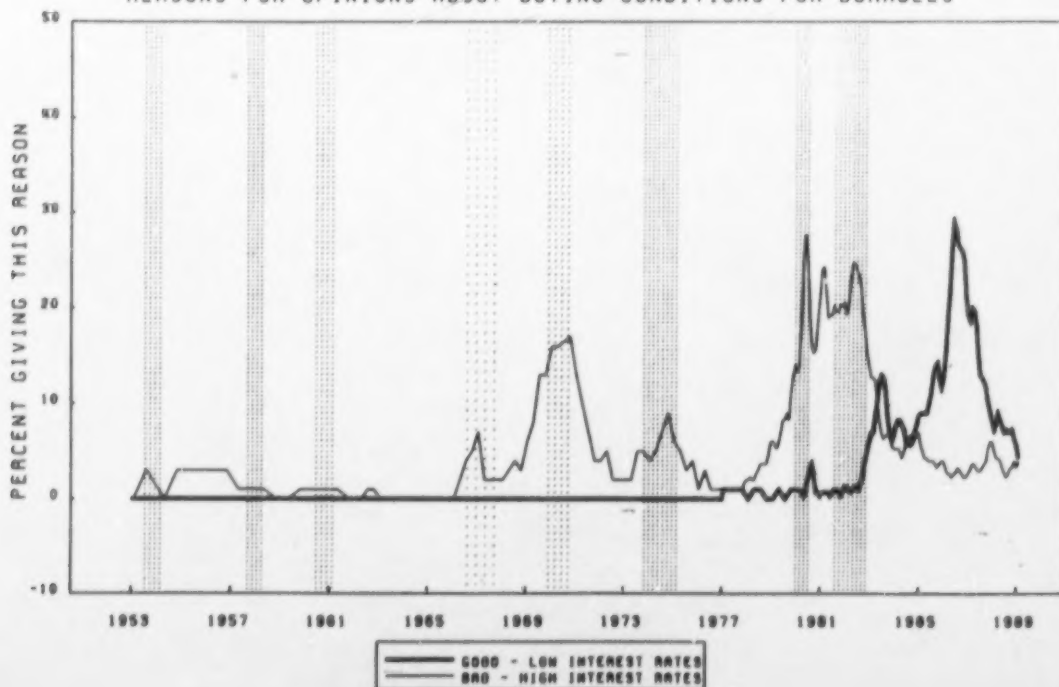


CHART 23 - RECENT CHANGES
BUYING CONDITIONS FOR HOUSES

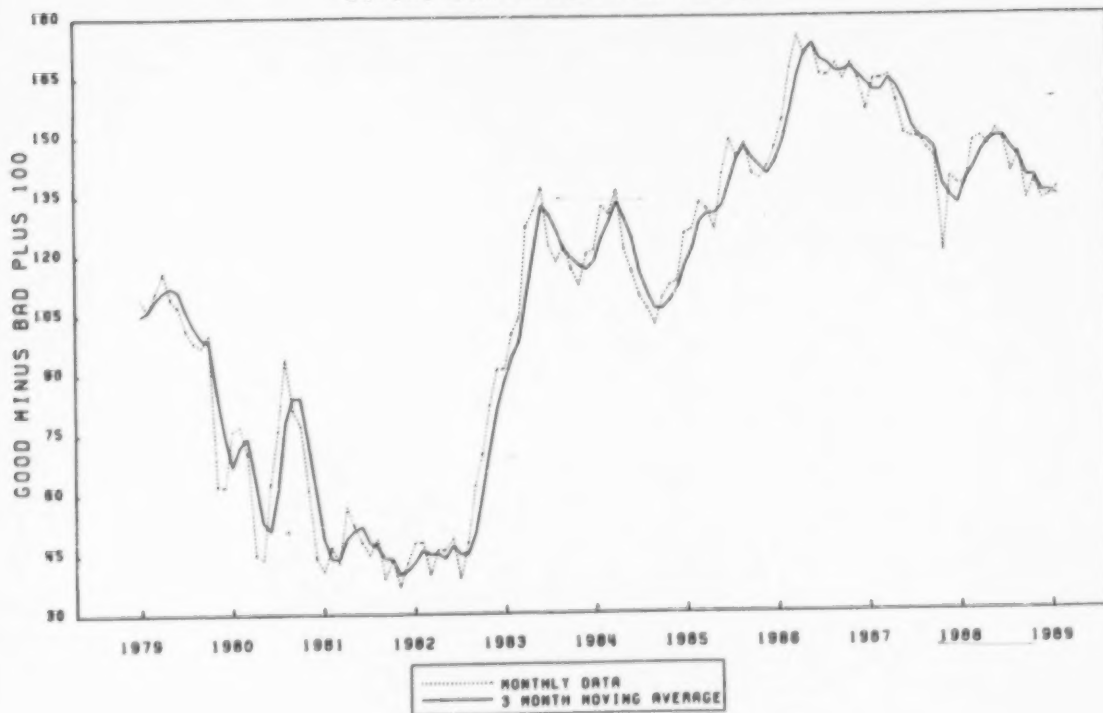


CHART 23 - HISTORICAL SERIES
BUYING CONDITIONS FOR HOUSES

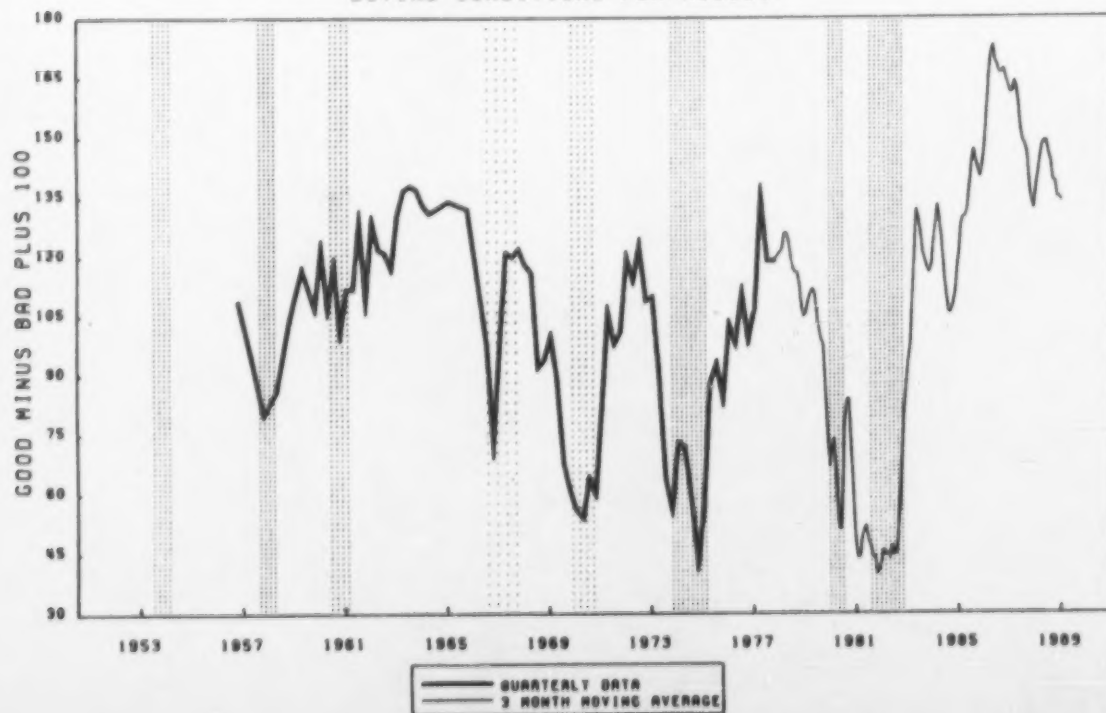


TABLE 23

BUYING CONDITIONS FOR HOUSES

	Feb. 1988	Mar. 1988	Apr. 1988	May 1988	June 1988	July 1988	Aug. 1988	Sept 1988	Oct. 1988	Nov. 1988	Dec. 1988	Jan. 1989	Feb. 1989
GOOD TIME TO BUY	67%	71%	72%	72%	73%	72%	67%	70%	64%	67%	63%	64%	64%
UNCERTAIN, DEPENDS	3	6	5	3	5	4	6	5	5	4	7	6	8
BAD TIME TO BUY	30	23	23	25	22	24	27	25	31	29	30	30	28
TOTAL	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%
CASES	500	500	504	500	500	501	500	500	501	508	500	501	500

The question was: "Generally speaking, do you think now is a good time or a bad time to buy a house?"

CHART 24A - HISTORICAL SERIES
REASONS FOR OPINIONS ABOUT BUYING CONDITIONS FOR HOUSES

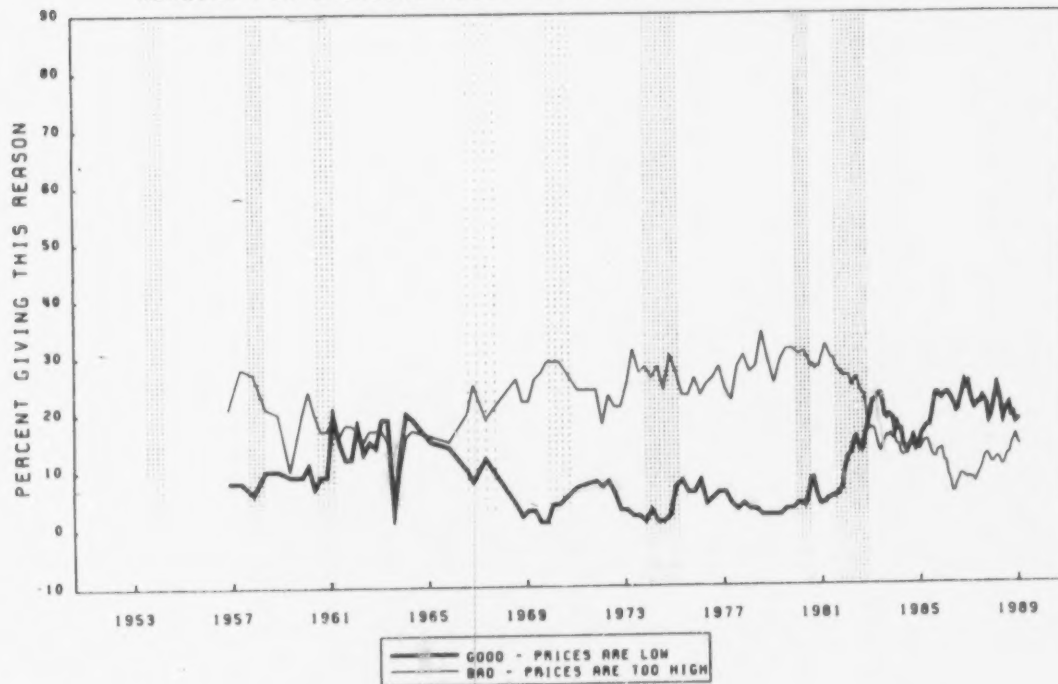


CHART 24B - HISTORICAL SERIES
REASONS FOR OPINIONS ABOUT BUYING CONDITIONS FOR HOUSES

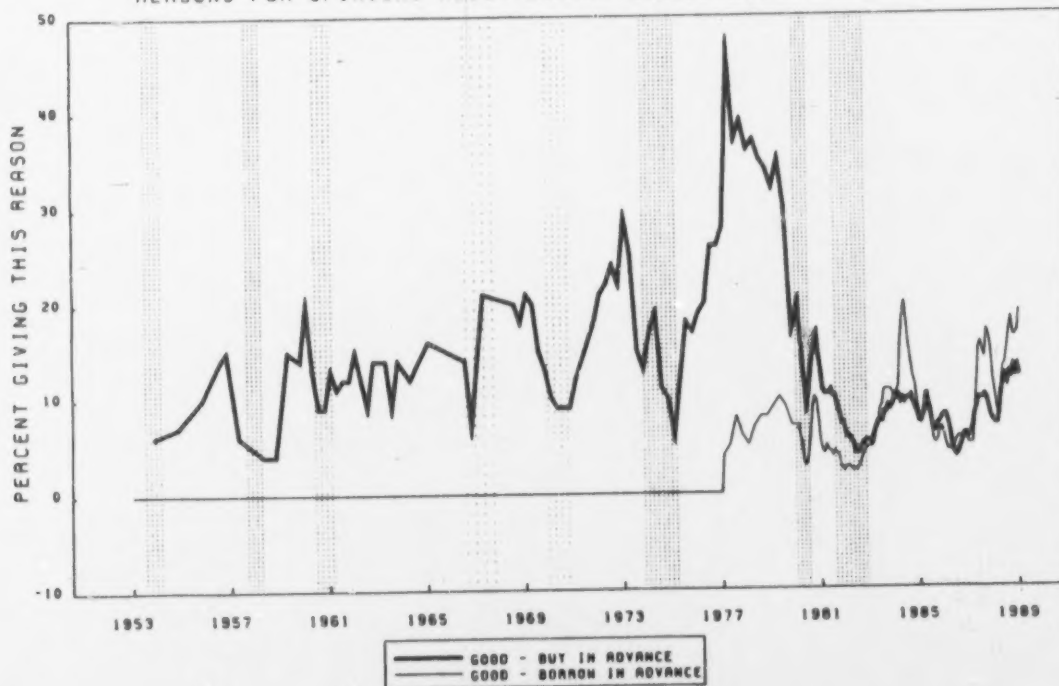


TABLE 24

SELECTED REASONS FOR OPINIONS ABOUT BUYING CONDITIONS FOR HOUSES +

	Feb. 1988	Mar. 1988	Apr. 1988	May 1988	June 1988	July 1988	Aug. 1988	Sept 1988	Oct. 1988	Nov. 1988	Dec. 1988	Jan. 1989	Feb. 1989
GOOD TIME TO BUY:													
Prices are low; good buys available	22%	27%	20%	16%	19%	24%	18%	21%	18%	19%	16%	19%	20%
Prices won't come down; are going higher	5	9	10	12	12	12	10	15	11	13	13	13	10
Interest rates are low	44	47	40	37	34	30	28	22	25	33	19	22	20
Borrow-in-advance of rising interest rates	6	7	10	14	15	11	19	21	15	13	21	16	20
Good investment	4	6	7	10	6	7	9	9	9	10	8	7	7
Times are good; prosperity	4	4	4	5	5	6	5	4	4	3	3	4	5
BAD TIME TO BUY:													
Prices are high	13	11	10	10	11	13	13	11	18	15	14	14	13
Interest rates are high; credit is tight	15	9	10	12	10	11	14	14	16	12	18	16	12
Times are bad; can't afford to buy	7	8	8	6	4	4	4	4	5	6	3	5	6
Bad times ahead; uncertain future	4	3	4	3	3	2	3	2	3	3	5	4	3

Responses to the query: "Why do you say so?" following the question on Table 23.
+ : May add to more than 100% due to multiple mentions.

CHART 24C - HISTORICAL SERIES
REASONS FOR OPINIONS ABOUT BUYING CONDITIONS FOR HOUSES

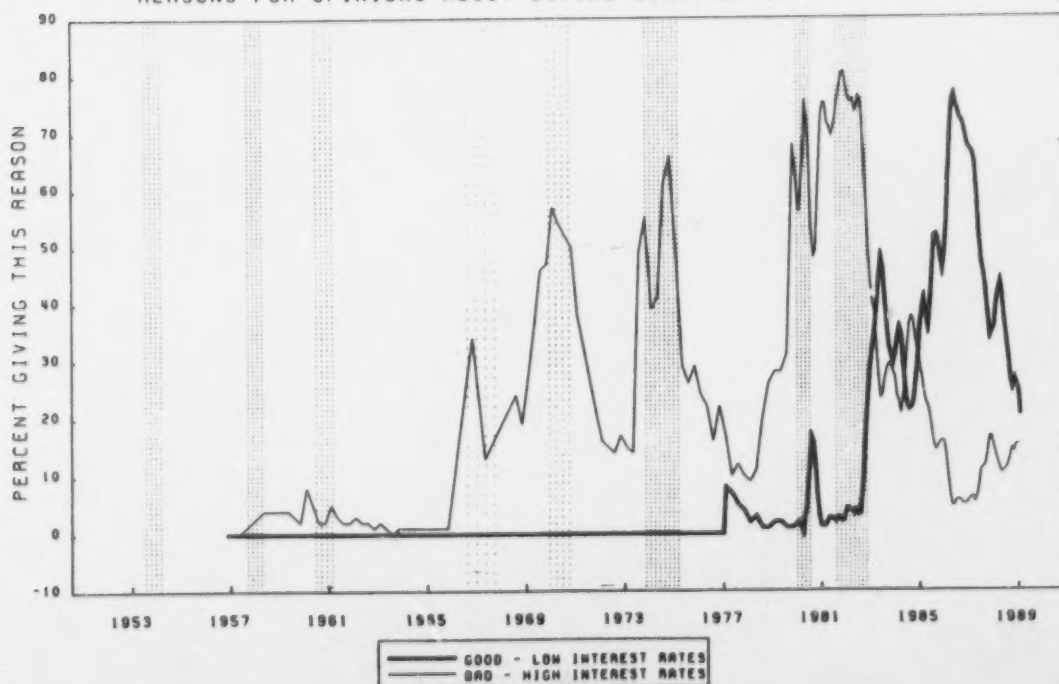


CHART 25 - RECENT CHANGES
BUYING CONDITIONS FOR CARS

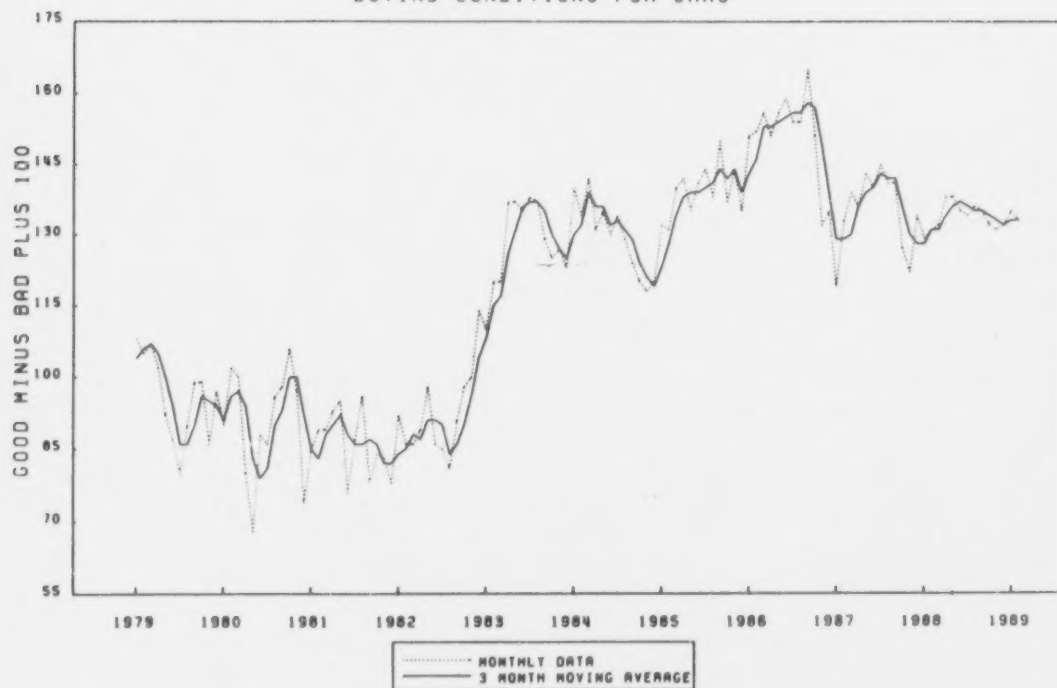


CHART 25 - HISTORICAL SERIES
BUYING CONDITIONS FOR CARS



TABLE 25

BUYING CONDITIONS FOR CARS

	Feb. 1988	Mar. 1988	Apr. 1988	May 1988	June 1988	July 1988	Aug. 1988	Sept 1988	Oct. 1988	Nov. 1988	Dec. 1988	Jan. 1989	Feb. 1989
GOOD TIME TO BUY	59%	62%	63%	64%	62%	62%	62%	61%	60%	61%	61%	62%	61%
UNCERTAIN; DEPENDS	13	8	12	10	11	10	12	13	12	9	10	11	11
BAD TIME TO BUY	28	30	25	26	27	28	26	26	28	30	29	27	28
TOTAL	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%
CASES	500	500	504	500	500	501	500	500	501	508	500	501	500

The question was: "Speaking now of the automobile market--do you think the next 12 months or so will be a good time or a bad time to buy a car?"

CHART 26A - HISTORICAL SERIES
REASONS FOR OPINIONS ABOUT BUYING CONDITIONS FOR CARS

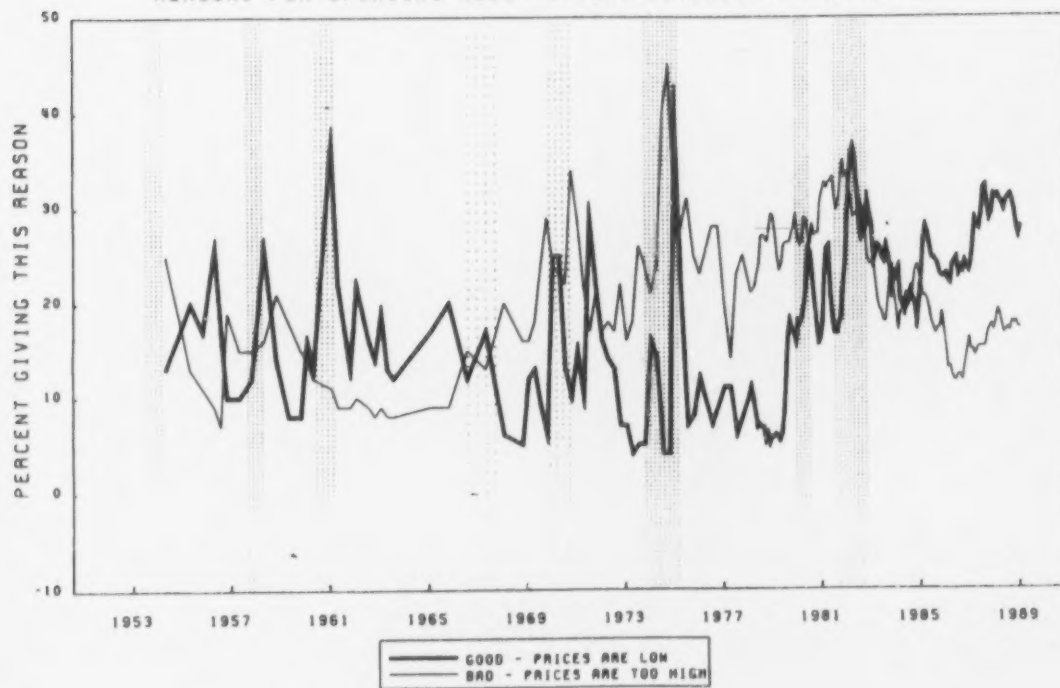


CHART 26B - HISTORICAL SERIES
REASONS FOR OPINIONS ABOUT BUYING CONDITIONS FOR CARS

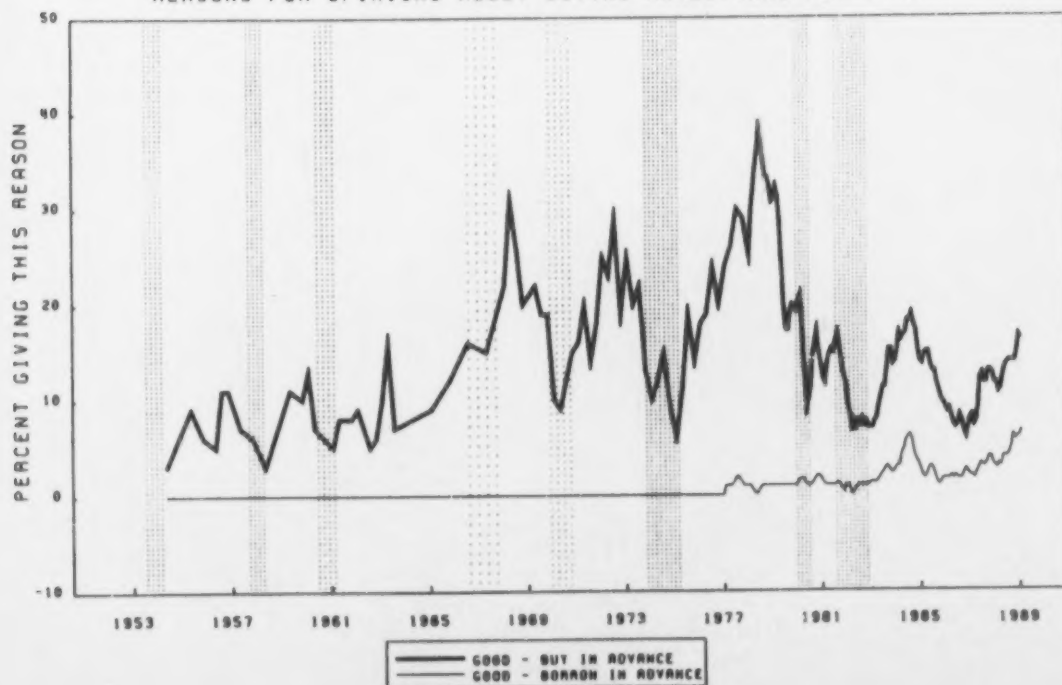


TABLE 26

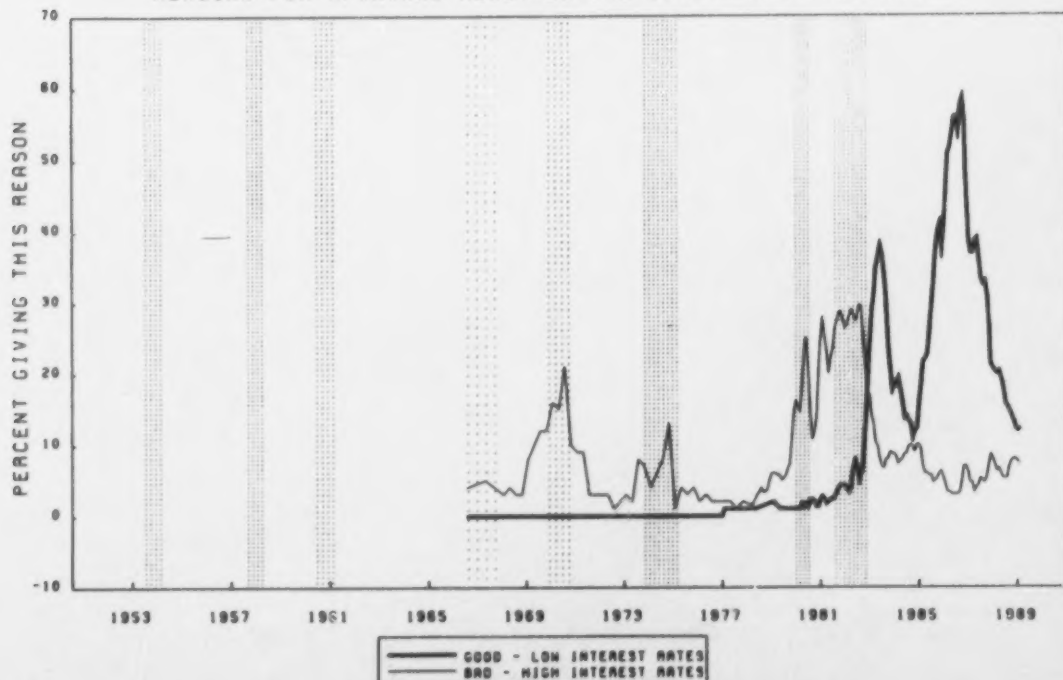
SELECTED REASONS FOR OPINIONS ABOUT BUYING CONDITIONS FOR CARS +

	Feb. 1988	Mar. 1988	Apr. 1988	May 1988	June 1988	July 1988	Aug. 1988	Sept 1988	Oct. 1988	Nov. 1988	Dec. 1988	Jan. 1989	Feb. 1989
GOOD TIME TO BUY:													
Prices are low; good buys available	30%	32%	30%	29%	30%	33%	30%	31%	31%	27%	26%	28%	30%
Prices won't come down; are going higher	10	11	12	14	14	13	15	14	13	15	17	18	14
Interest rates are low	20	20	21	17	16	14	16	14	12	14	11	11	15
Borrow-in-advance of rising interest rates	2	4	3	5	4	3	6	6	7	4	7	7	6
Times are good; prosperity	3	4	3	4	3	5	4	4	4	4	4	5	4
BAD TIME TO BUY:													
Prices are high	20	21	15	17	18	16	18	17	19	17	18	17	17
Interest rates are high; credit is tight	8	6	6	6	4	6	6	9	8	7	9	7	6
Times are bad; can't afford to buy	4	3	5	3	1	3	4	2	3	2	4	2	4
Bad times ahead; uncertain future	2	2	2	2	2	2	2	2	1	2	3	1	1
Poor selection; quality	3	3	2	2	3	3	2	3	5	3	2	4	3

Responses to the query: "Why do you say so?" following the question on Table 25.
+ : May add to more than 100% due to multiple mentions.

* : Less than half of one percent.

CHART 26C - HISTORICAL SERIES
REASONS FOR OPINIONS ABOUT BUYING CONDITIONS FOR CARS



EXPLANATORY CHARTS

CHART 1 - RECENT CHANGES

THE INDEX OF CONSUMER SENTIMENT

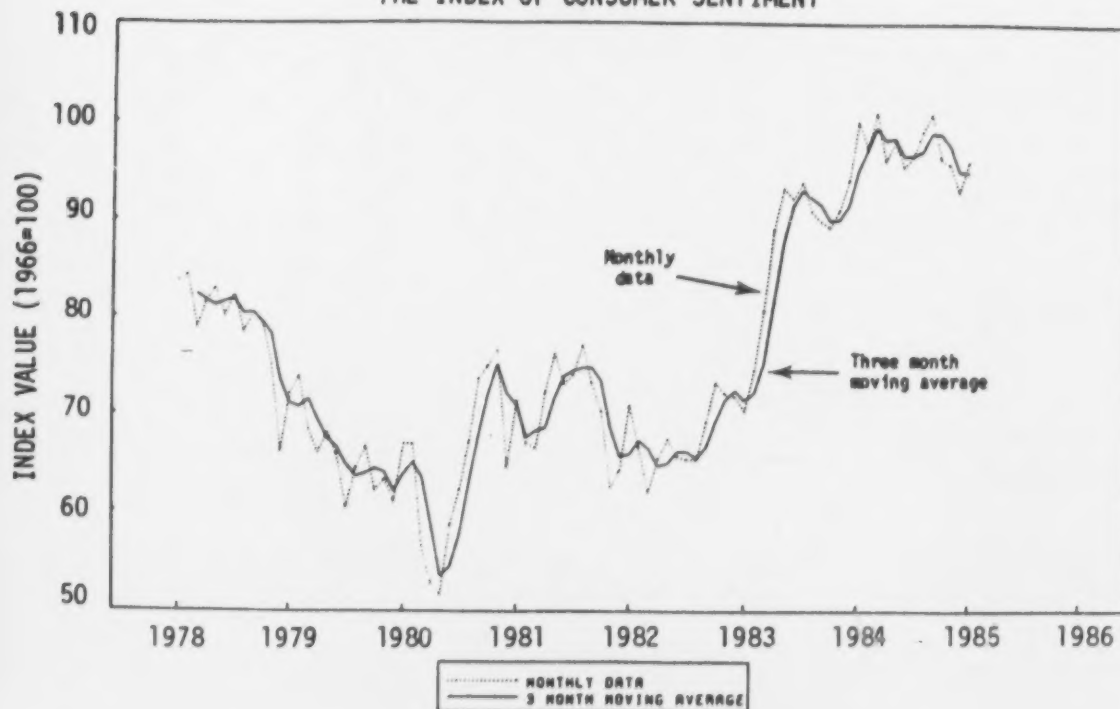
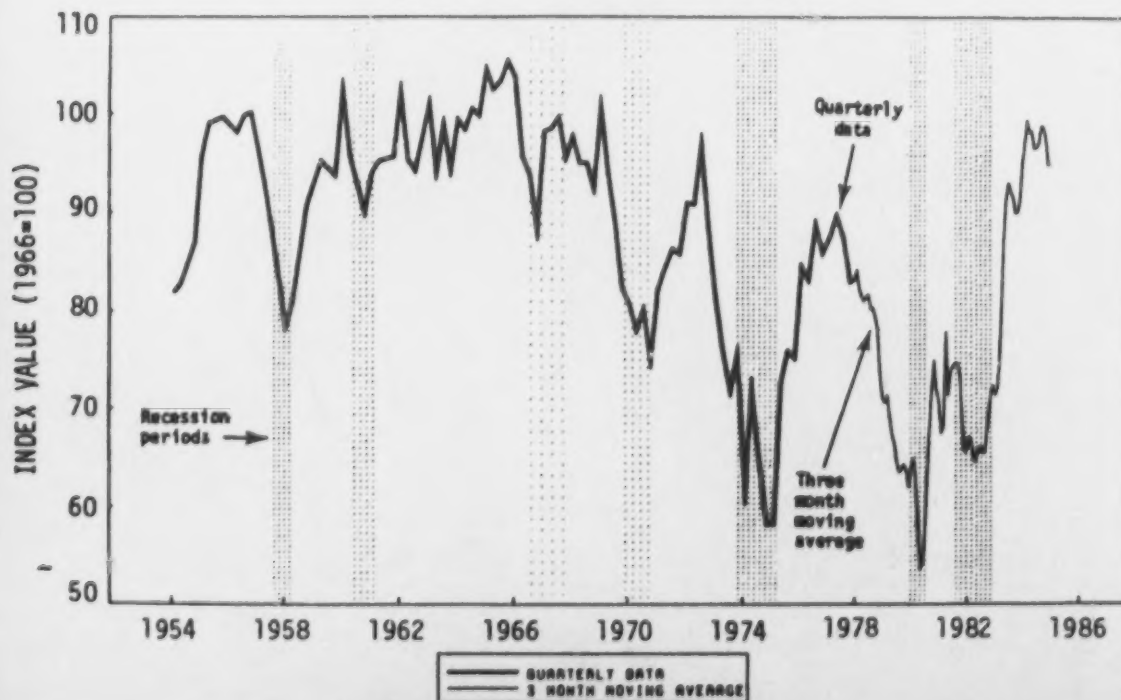


CHART 1 - HISTORICAL SERIES

THE INDEX OF CONSUMER SENTIMENT



DESCRIPTION OF CHART LINES

QUARTERLY DATA: Data collected by surveys conducted at three-month intervals before 1978.

MONTHLY DATA: Data collected by surveys conducted each month since January of 1978.

THREE-MONTH MOVING AVERAGE: Each point plotted represents the average of the three monthly observations ending at the date plotted.

TIME SCALE LABELS

Each tic mark on the time scale represents the month of January for the indicated year.

NATIONAL BUREAU OF ECONOMIC RESEARCH, REFERENCE DATES FOR RECESSIONS

DATES:	November 1948	-	October 1949
	July 1953	-	May 1954
	August 1957	-	April 1958
	April 1960	-	February 1961
	June 1966	-	November 1967*
	December 1969	-	November 1970
	November 1973	-	March 1975
	January 1980	-	July 1980
	July 1981	-	November 1982

Notes:

RECESSION PERIOD: Reduction in the national output of goods and services, generally lasting at least two quarters.

***GROWTH RECESSION:** Retardation in the rate of growth of output and employment (usually followed by a recession and always the initial stage of a recession).

APPROXIMATE SAMPLING ERRORS^a OF SURVEY FINDINGS
(In percentages by size of sample or subgroup)

Reported Percentages	Number of Interviews					
	500	700	1000	1400	2000	3000
50	4.9	4.2	3.6	3.2	2.8	2.5
30 or 70	4.5	3.8	3.3	2.9	2.5	2.3
20 or 80	3.9	3.4	2.9	2.6	2.2	2.0
10 or 90	2.9	2.5	2.2	1.9	1.7	1.5
5 or 95	2.1	1.8	1.6	1.4	1.2	1.1

^aThe figures in this table represent two standard errors. Hence, for most items the chances are 95 in 100 that the value being estimated lies within a range equal to the reported percentages, plus or minus the sampling error.



March 1989 Monthly Survey

March 31, 1989

Surveys of Consumers

Richard T. Curtin, Director

Inflation and Interest Rates Expected to Increase Housing Market Bears Greatest Burden

Index Slips

The Index of Consumer Sentiment was 94.3 in the March 1989 survey, down from 95.4 in February and 97.9 in January. Despite the recent small declines, the March 1989 reading was nearly identical to the March 1988 figure (94.6). Overall, the Index was higher in first quarter of 1989 than in the fourth quarter of 1988 (95.9 versus 93.0).

Among families with incomes of \$40,000 or more, the Index was 100.0 in March, down from 109.6 one month earlier and 104.6 one year earlier.

Leading Indicator Component Posts Small Decline

Both the current and expected components of the Index of Consumer Sentiment posted small declines in the March 1989 survey. The Index of Consumer Expectations, the component of the Index of Leading Indicators, stood at 87.6 in March 1989, down from 88.8 in February, and 89.9 in January.

The small consecutive declines during the first quarter still leaves consumer expectations at a very favorable level. For the first quarter of 1989 taken as a whole, the Index of Consumer Expectations was 88.8, the highest quarterly average recorded since the second quarter of 1986.

The current conditions component of the Index of Consumer Sentiment declined to 104.8 in March from 105.7 in February and 110.3 in January. For the first quarter of 1989, the current conditions component averaged 106.9. Although this was above the 103.4 recorded in the fourth quarter of 1988, it was below the average of 110.3 recorded in the third quarter of 1988.

Expected Inflation Rate Posts Sharp Increase

Consumers expected an annual rate of inflation of 5.6% in the March 1989 survey, up from 4.8% in February. The March increase reversed the entire decline recorded since mid 1988, and returned inflation expectations to the four year high first recorded in June and July of 1988.

While this resurgence in inflation expectations is troublesome, it is yet unclear whether it simply represents an immediate but short-lived reaction to the widely publicized and much larger changes in wholesale prices. Whether this upswing is confirmed in subsequent months will determine its ultimate impact. In any event, whether inflation expectations are now running at the 5% or the 5.5% level, they are significantly higher than the 4.1% recorded one year ago.

Interest Rates Still Top Concern

Interest rate expectations remained very unfavorable in the March 1989 survey. Among all families, 73 percent expected increases in interest rates in March, just below the all-time record of 75 percent recorded in February. Just 5 percent of all families in March expected interest rates to decline during the year ahead.

Rising Mortgage Rates Weaken Home Buying Attitudes

Favorable attitudes toward buying conditions for homes fell to the lowest level recorded in four years. Among all families, 60 percent thought that home buying conditions were favorable in the March 1989 survey, down from 64 percent one month earlier, and 71 percent one year earlier.

The decline in favorable home buying attitudes was due to increasing mortgage interest rates. Among all families in the March 1989 survey, 24 percent complained about high mortgage rates, twice the proportion recorded one month earlier, and nearly three times the level recorded one year earlier. Favorable references to current mortgage rates fell to 17 percent in March, from 20 percent one month earlier and 47 percent one year earlier.

The negative impact of increasing mortgage rates was partially offset by the view that mortgage rates would only increase further, promoting the view it was better to buy in advance of those increases. Among all families, 19 percent mentioned the appeal of borrowing in advance of rising mortgage rates in the March 1989 survey, just below the 20 percent recorded one month earlier, but substantially above the 7 percent recorded one year earlier.

Consumer perceptions of home prices also worsened in the March 1989 survey. Favorable references to current home prices fell to 17 percent in March 1989 from 27 percent one year earlier,

while complaints about high home prices rose to 16 percent, from 11 percent one year earlier. Importantly, few consumers saw advantage in buying in advance of rising home prices in either the March 1989 survey (12 percent) or the March 1988 survey (9 percent).

Vehicle Market: Waiting for Discounts

Attitudes toward buying conditions for vehicles continued on their remarkably stable path. In the March 1989 survey, 61 percent of all families held favorable car buying attitudes. This was the tenth consecutive month that favorable vehicle buying attitudes have remained in the narrow range of 60 to 62 percent.

Unfavorable evaluations of car buying conditions have inched upward over the past few months however, to 31 percent in March 1989 from 27 percent in January. The increase has been due to complaints about higher interest rates on vehicle purchases, rising to 13 percent in March from 7 percent in January. This rather modest increase in complaints about rising interest rates was offset by a similar small increase in references to discounted interest rates offered by vehicle manufacturers, rising to 15 percent in March from 11 percent in January.

The fact that consumer purchases of vehicles in the first part of 1989 has been below the levels recorded in late 1988 does not run counter to the relative stability in vehicle buying attitudes. The question asks consumers to give an assessment of buying conditions during the year ahead. Most consumer expect vehicle manufacturers to continue to offer price and interest rate discounts on a intermittent basis. Thus most consumers have been willing to wait and time their purchases to the availability of discounts. Moreover, it is not the mere availability of discounts, but the size of the discount that now determines these timing decisions.

Household Durables

Attitudes toward buying conditions for furniture, appliances, and home electronic goods remained largely unchanged at favorable levels. Among all families in the March 1989 survey, 72 percent thought that buying conditions for large household durables were favorable, just above the 71 percent recorded both one month and one year earlier. These favorable evaluations continued to be based on the perception that price discounts were available, mentioned by 33 percent in both the March 1989 and 1988 surveys.

Current Finances Soften; Future Prospects Remain Strong

The current financial situation of American households weakened slightly in the March 1989 survey, but on balance remained at favorable levels. Importantly, families continue to view their own financial prospects for the year ahead in favorable terms.

Among all families in the March 1989 survey, 42 percent reported that their financial situation had improved. This was slightly below the 44 percent recorded in both of the prior two months, but above the 39 percent recorded three months earlier.

When asked to explain how the financial situation had changed, the small March decline was traced to price changes rather than income changes. No net change was recorded in references to income trends: while fewer families reported income increases in the March 1989 survey in comparison to the previous month (30, down from 36 percent), it was exactly offset by the fall in the proportion of families that reported income declines (13, down from 18 percent).

Complaints that rising inflation had lowered their living standards were made by 15 percent of all families in the March 1989 survey, up from 12 percent one month earlier, and 8 percent one year earlier. Although this represents a significant rise,

complaints about inflationary drains on family incomes are still quite low in comparison with historical patterns.

Despite these concerns about their current financial situation, consumers continued to view their financial prospects for the year ahead in very favorable terms. Among all families in the March 1989 survey, 40 percent expected their financial situation to improve during the year ahead, unchanged from the February reading. During the current economic expansion, in only five of the past 76 monthly surveys has a higher proportion of families expected their financial situation to improve (the cyclical peak was 44 percent recorded in March 1984). Overall, just 9 percent of all families in the March 1989 survey expected their financial situation to worsen during the year ahead.

Outlook for Economy Viewed Favorably

Consumers continue to view prospects for the general economy in favorable terms. Among all families in the March 1989 survey, 55 percent expected good times in the economy as a whole, just below the 56 percent recorded in the prior two months, and above the 47 percent recorded in March of 1988. The majority of families in March (59 percent) expected the growth of the national economy to remain similar to last year's pace.

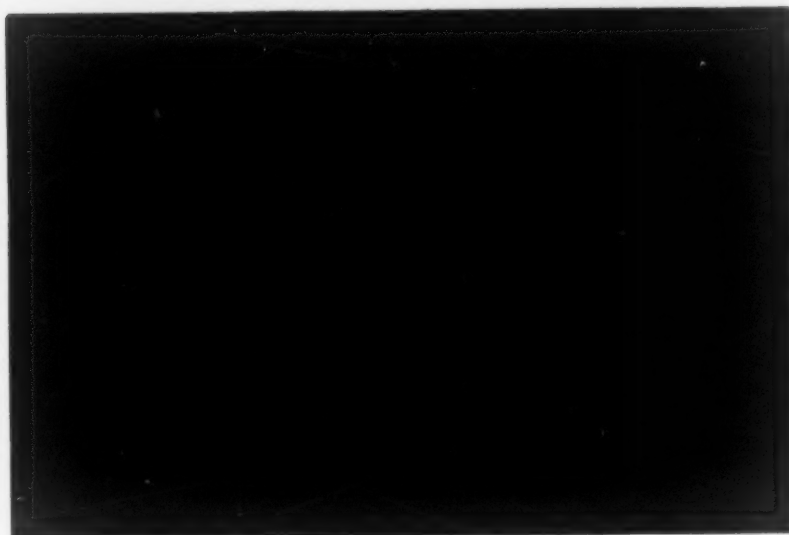
Favorable employment prospects continue to be the mainstay of this positive outlook. The majority of families in the March 1989 survey (53 percent) expected the national unemployment rate to remain largely unchanged at its current decade low level during the year ahead. On the margin, however, increases rather than further declines were expected by nearly a three-to-one margin (33 versus 12 percent).

* * *

The March 1989 survey included 501 completed interviews conducted between March 1 and March 28, 1989.

SURVEYS OF CONSUMER ATTITUDES

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Institute for Social Research

SURVEYS OF CONSUMERS

MARCH 1989

The March 1989 survey was the 248th in a series of Surveys of Consumers conducted by the Survey Research Center at The University of Michigan. Initiated in 1946, these periodic surveys provide regular assessments of consumer attitudes and expectations, and are used to evaluate economic trends and prospects. The surveys are designed to explore why changes in consumer attitudes and expectations occur, and how these changes influence consumer spending and saving decisions.

All surveys are subject to sampling error because not all members of the population are interviewed. Most results for the total sample will differ by no more than 5 percentage points in either direction from what would have been obtained by using the same methods on the entire population. See the back of this book for sampling error information.

While every effort is made to accurately measure consumer attitudes and expectations, factors other than sampling may also affect the accuracy of these (and other) findings. These factors may include effects of the question wording, the ability of respondents to articulate answers and opinions, refusal to participate in the survey, and incomplete coverage of the population. There are no standard measures of these effects, but their presence should be acknowledged when using these and all other survey data. While measurement effects are present in all surveys, a noted advantage of time-series data is that the non-sampling influences remain relatively constant across samples.

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CHART 1 - RECENT CHANGES
THE INDEX OF CONSUMER SENTIMENT



CHART 1 - HISTORICAL SERIES
THE INDEX OF CONSUMER SENTIMENT

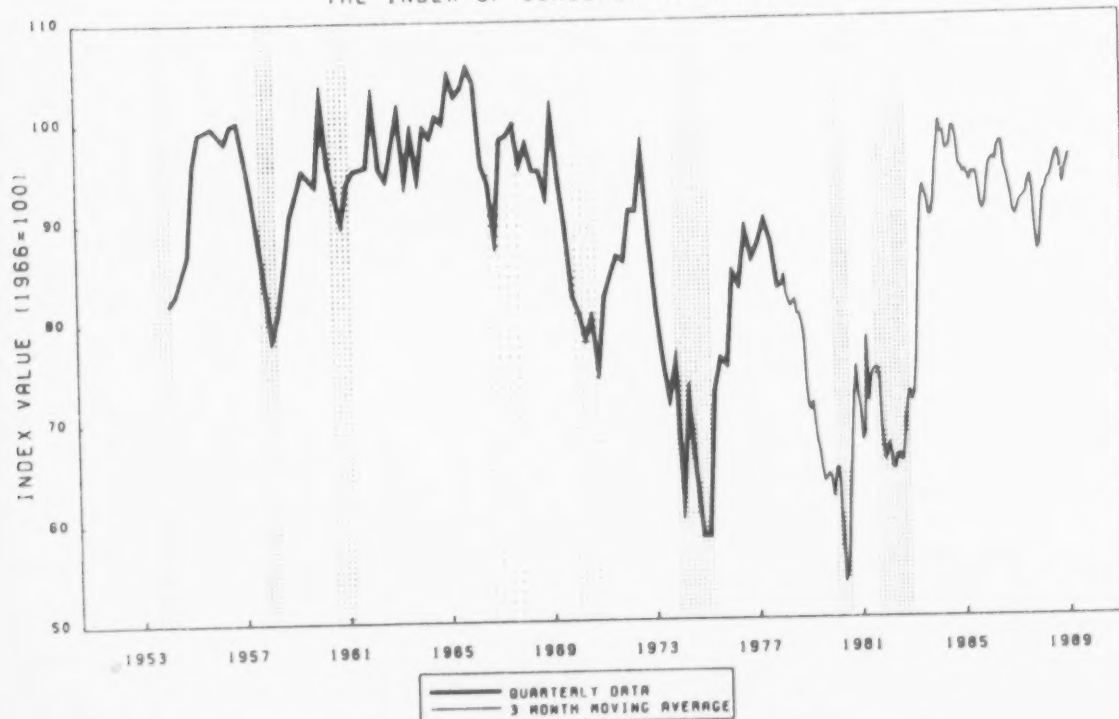


TABLE 1
THE INDEX OF CONSUMER SENTIMENT

DATE OF SURVEY	All families	Families with incomes over \$30,000	Families with incomes over \$40,000
March 1986	95.1	102.9	110.2
April 1986	96.2	106.9	111.0
May 1986	94.8	105.5	109.9
June 1986	99.3	110.6	112.4
July 1986	97.7	109.6	108.5
August 1986	94.9	105.0	106.6
September 1986	91.9	99.5	102.1
October 1986	95.6	102.8	105.5
November 1986	91.4	97.5	98.7
December 1986	89.1	98.7	98.3
January 1987	90.4	101.2	104.0
February 1987	90.2	103.6	103.6
March 1987	90.8	97.8	96.1
April 1987	92.8	98.5	103.1
May 1987	91.1	97.7	99.2
June 1987	91.5	102.9	102.9
July 1987	93.7	102.5	104.0
August 1987	94.4	104.4	109.1
September 1987	93.6	100.6	104.3
October 1987	89.3	99.9	101.8
November 1987	83.1	87.7	90.5
December 1987	86.8	94.5	96.1
January 1988	90.8	99.0	99.9
February 1988	91.6	98.1	100.8
March 1988	94.6	103.7	104.6
April 1988	91.2	99.1	99.6
May 1988	94.8	106.6	108.3
June 1988	94.7	102.3	102.7
July 1988	93.4	100.5	103.9
August 1988	97.4	105.1	104.2
September 1988	97.3	102.8	105.4
October 1988	94.1	103.0	103.7
November 1988	93.0	102.0	101.0
December 1988	91.9	97.0	99.5
January 1989	97.9	108.4	106.8
February 1989	95.4	104.6	109.6
March 1989	94.3	98.6	100.0

CHART 2A - HISTORICAL SERIES
INDEX OF CONSUMER SENTIMENT WITHIN REGION SUBGROUPS

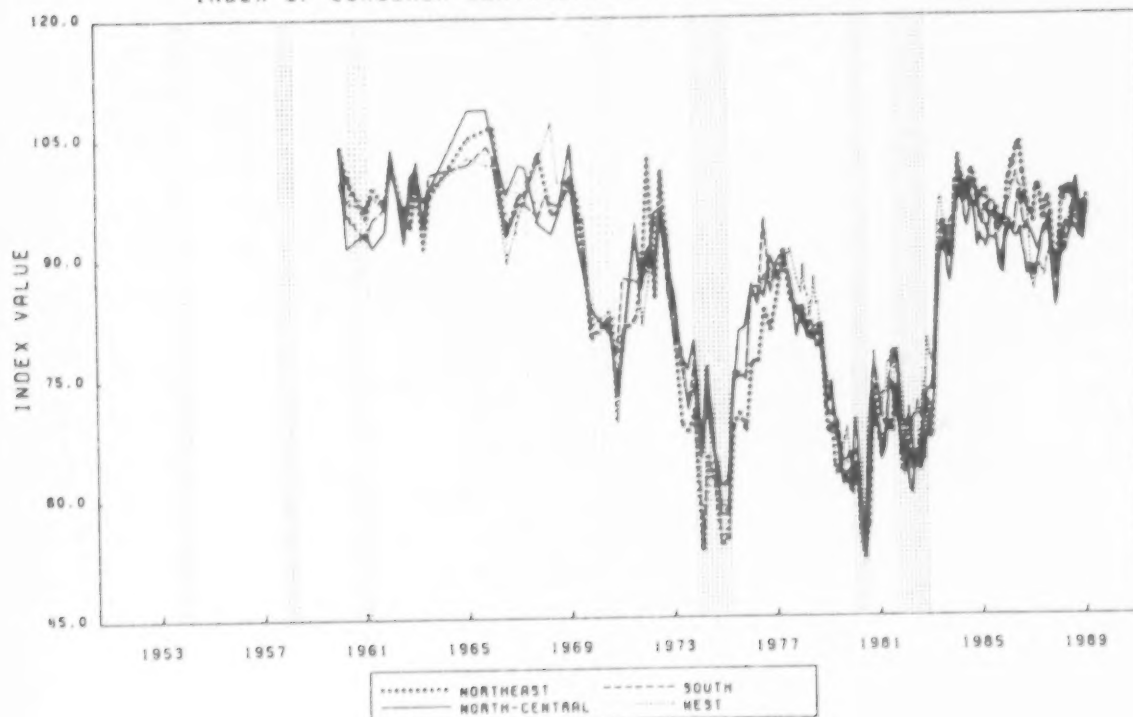


CHART 2B - HISTORICAL SERIES
INDEX OF CONSUMER SENTIMENT WITHIN AGE SUBGROUPS

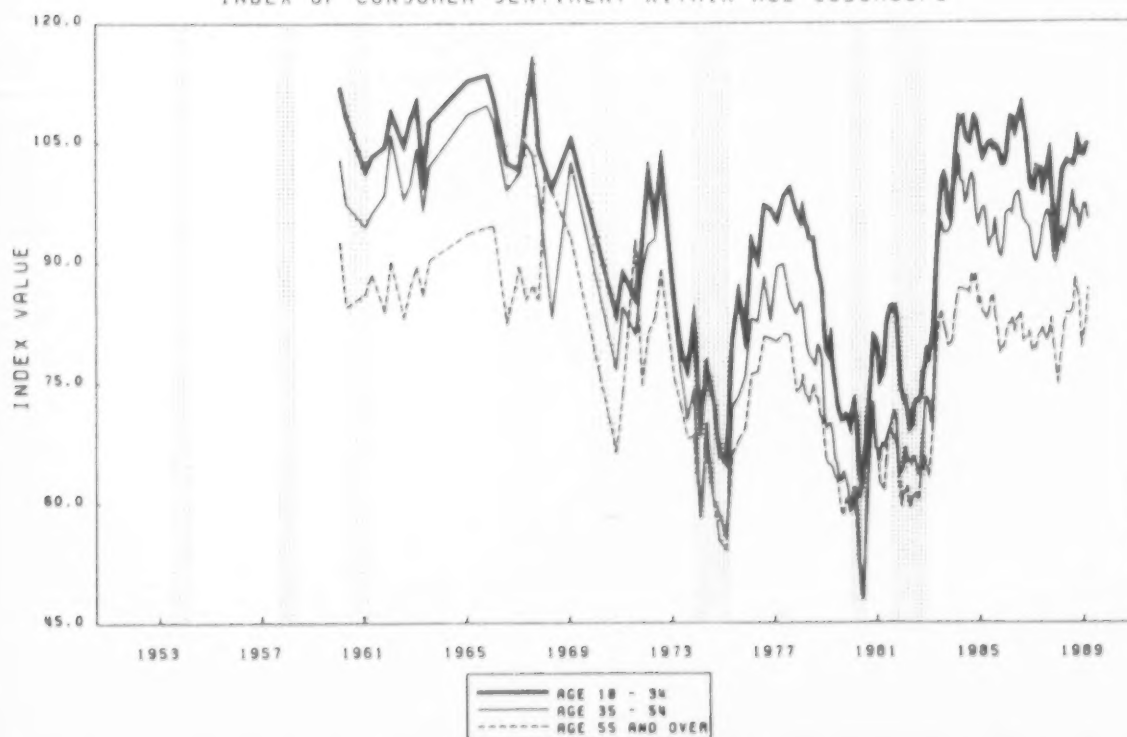


TABLE 2

INDEX OF CONSUMER SENTIMENT WITHIN REGION AND AGE SUBGROUPS

DATE OF SURVEY		CENSUS REGION				AGE OF RESPONDENT		
		North East	North Central	South	West	18-34	35-54	55+
March	1986	99.1	94.9	91.3	98.9	109.1	96.0	82.0
April	1986	102.7	92.3	94.4	99.5	104.8	97.8	83.6
May	1986	101.2	90.1	93.5	98.8	104.9	99.9	78.3
June	1986	106.2	94.1	98.5	102.7	112.7	97.9	86.6
July	1986	103.9	93.4	101.7	94.7	108.2	98.6	84.5
August	1986	102.5	92.6	90.5	98.2	107.9	95.2	80.1
September	1986	94.6	87.0	91.9	95.8	106.3	92.4	76.1
October	1986	99.1	90.0	96.5	99.3	102.5	97.3	85.7
November	1986	95.8	85.6	93.2	92.3	99.5	94.2	80.4
December	1986	91.8	90.4	89.5	84.0	98.0	91.3	78.3
January	1987	98.1	85.9	96.0	83.9	99.9	91.2	78.4
February	1987	92.4	89.5	90.7	89.2	99.1	89.2	81.5
March	1987	104.6	86.3	87.5	91.2	106.4	89.3	77.7
April	1987	99.4	91.7	93.7	87.2	99.0	95.1	83.5
May	1987	91.3	92.9	92.1	87.1	99.5	92.8	82.1
June	1987	92.5	92.2	91.5	89.7	99.0	95.5	80.0
July	1987	100.1	95.7	93.8	85.2	103.0	97.8	80.2
August	1987	99.0	91.0	95.2	93.2	103.3	95.8	80.8
September	1987	92.2	94.7	94.9	91.5	104.1	95.4	82.6
October	1987	93.8	87.2	88.3	89.1	92.0	89.9	86.2
November	1987	83.9	79.6	87.9	79.4	91.7	86.6	70.8
December	1987	83.4	83.6	90.4	89.2	94.1	92.9	73.6
January	1988	99.8	91.3	87.6	88.5	98.3	93.6	80.1
February	1988	93.7	92.1	92.8	86.3	102.5	90.3	79.9
March	1988	101.2	92.9	91.6	95.3	103.5	98.9	80.0
April	1988	94.9	93.9	88.6	89.0	100.0	87.5	86.6
May	1988	99.1	95.5	91.1	97.3	104.2	95.4	84.7
June	1988	98.1	91.2	95.9	95.2	103.1	102.0	79.5
July	1988	98.3	92.0	91.8	94.0	99.6	93.0	86.6
August	1988	95.7	100.9	94.4	98.5	103.6	101.7	86.3
September	1988	95.2	101.9	93.3	97.6	106.1	93.3	91.4
October	1988	91.8	96.1	92.9	96.6	105.8	94.6	82.0
November	1988	95.8	90.6	90.5	98.9	100.4	94.3	82.2
December	1988	90.8	90.2	96.1	88.0	103.7	97.1	73.9
January	1989	96.9	94.2	99.9	102.2	105.8	100.3	86.7
February	1989	103.5	99.2	88.8	93.6	104.3	94.2	86.7
March	1989	91.5	95.8	96.1	92.2	103.9	91.8	87.0

CHART 3 - RECENT CHANGES
CURRENT AND EXPECTED COMPONENTS



CHART 3 - HISTORICAL SERIES
CURRENT AND EXPECTED COMPONENTS

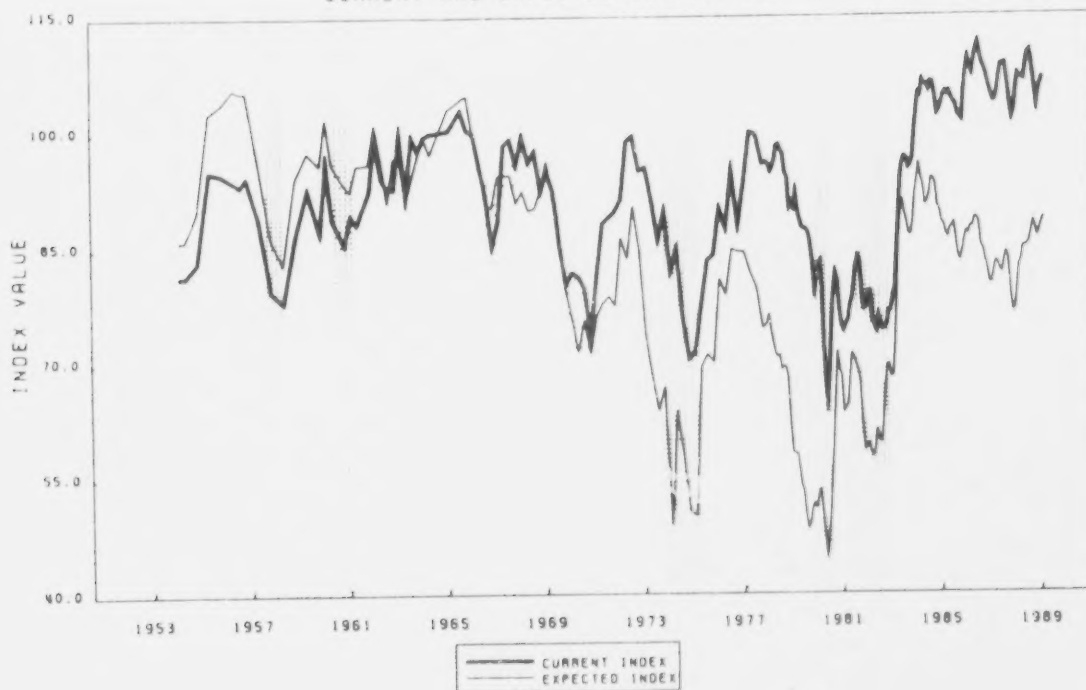


TABLE 3
COMPONENTS OF THE INDEX OF CONSUMER SENTIMENT

DATE OF SURVEY		INDEX COMPONENTS +						
		Personal finances		Business conditions		Buying conds.	Current Index	Expected Index
		Current	Expected	12 months	5 years			
		(1)	(2)	(3)	(4)			
March	1986	120	124	129	96	160	107.9	86.9
April	1986	120	128	133	94	160	108.1	88.5
May	1986	117	129	131	92	158	106.2	87.5
June	1986	124	127	136	100	170	113.3	90.3
July	1986	126	130	131	94	165	112.1	88.5
August	1986	121	128	123	94	161	108.9	85.9
September	1986	120	127	115	84	161	108.3	81.3
October	1986	120	127	124	99	162	108.9	87.1
November	1986	121	121	120	87	155	106.7	81.6
December	1986	116	127	104	83	158	105.8	78.3
January	1987	120	130	117	77	152	105.1	80.9
February	1987	115	126	117	84	153	103.7	81.6
March	1987	114	122	121	92	152	102.5	83.3
April	1987	116	127	116	97	158	105.5	84.7
May	1987	117	121	114	89	161	107.4	80.6
June	1987	120	122	113	89	161	108.1	80.8
July	1987	123	123	118	94	162	109.9	83.3
August	1987	122	127	125	93	157	107.8	85.8
September	1987	119	124	122	92	162	108.3	84.2
October	1987	118	128	105	90	149	103.1	80.4
November	1987	115	118	93	80	142	99.3	72.7
December	1987	119	120	98	89	147	102.7	76.7
January	1988	122	131	110	84	154	106.2	80.9
February	1988	122	130	108	90	155	106.6	81.9
March	1988	127	133	114	96	156	109.1	85.2
April	1988	117	125	117	89	154	104.8	82.4
May	1988	111	127	125	98	165	106.5	87.3
June	1988	119	129	121	95	163	108.6	85.7
July	1988	120	128	106	96	167	110.7	82.3
August	1988	127	127	125	105	160	110.8	88.8
September	1988	127	133	125	102	157	109.4	89.5
October	1988	114	124	129	97	158	105.0	87.0
November	1988	112	128	122	97	156	103.3	86.3
December	1988	114	127	119	98	150	102.0	85.5
January	1989	121	131	128	103	165	110.3	89.9
February	1989	120	130	128	99	154	105.7	88.8
March	1989	116	131	123	98	156	104.8	87.6

(1) See Table 4.

(2) See Table 6.

(3) See Table 15.

(4) See Table 16.

(5) See Table 21.

+ : Percent saying "GOOD TIMES" (or "BETTER"), minus percent saying "BAD TIMES" (or "WORSE"), plus 100.

CHART 4 - RECENT CHANGES
CURRENT FINANCIAL SITUATION COMPARED WITH A YEAR AGO

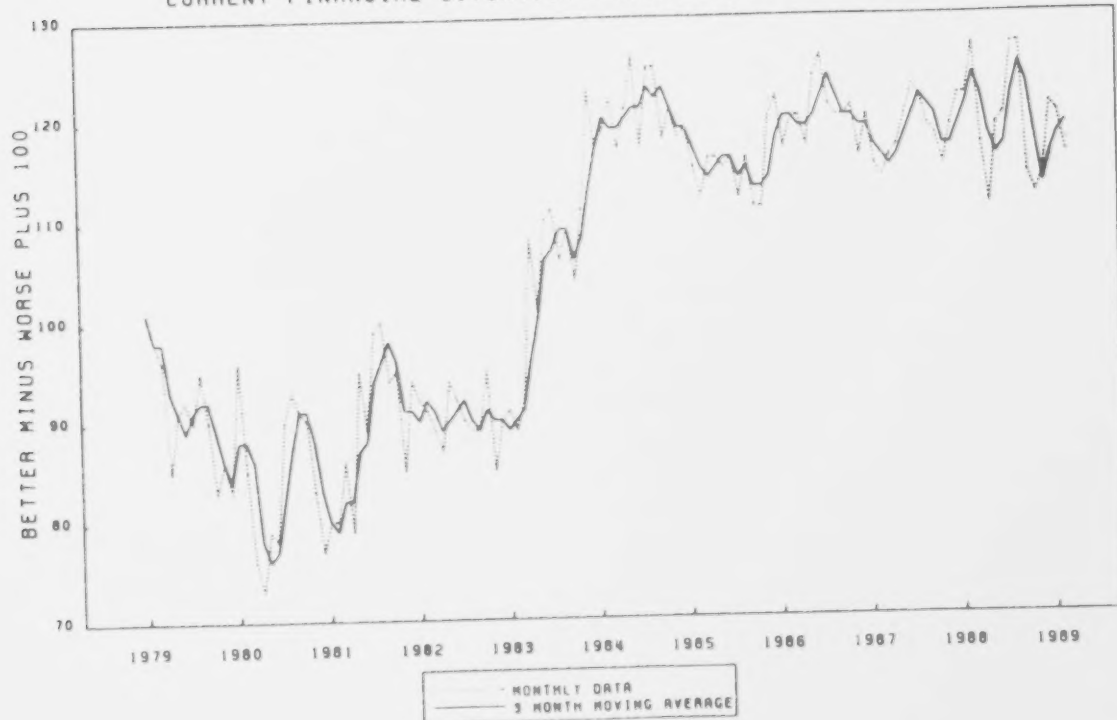


CHART 4 - HISTORICAL SERIES
CURRENT FINANCIAL SITUATION COMPARED WITH A YEAR AGO

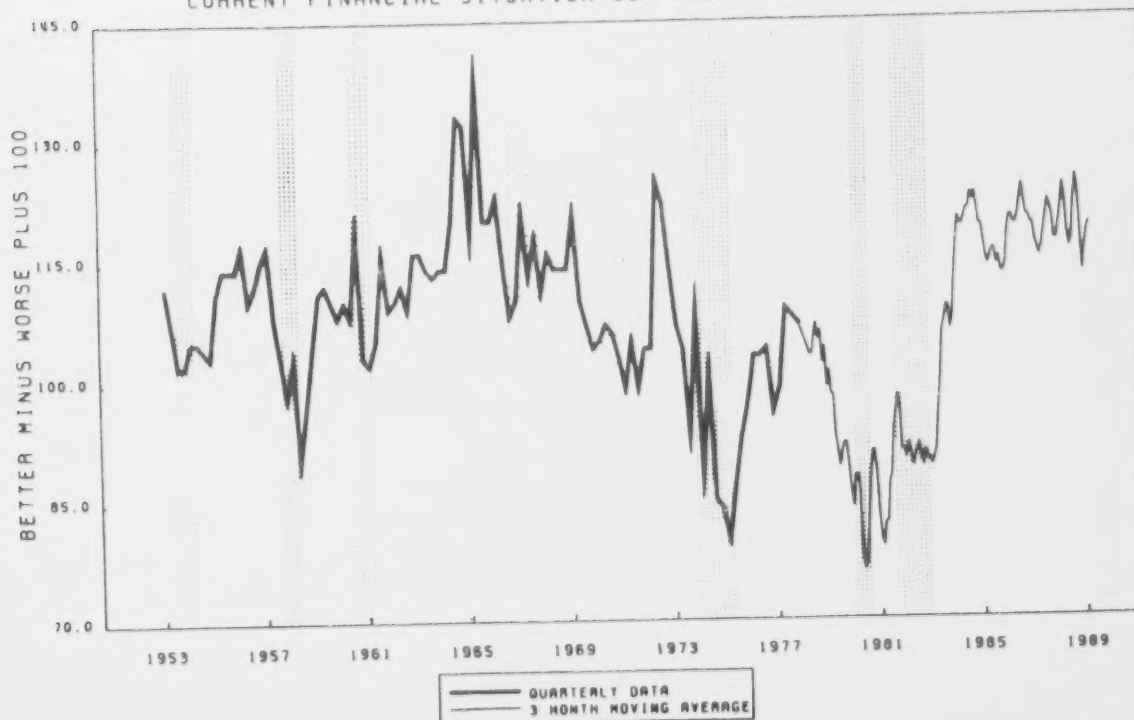


TABLE 4

CURRENT FINANCIAL SITUATION COMPARED TO A YEAR AGO

	Mar. 1988	Apr. 1988	May 1988	June 1988	July 1988	Aug. 1988	Sept 1988	Oct. 1988	Nov. 1988	Dec. 1988	Jan. 1989	Feb. 1989	Mar. 1989
BETTER OFF	49%	41%	40%	43%	45%	50%	49%	42%	41%	39%	44%	44%	42%
SAME	29	34	31	32	29	26	28	30	30	36	33	31	32
WORSE OFF	22	24	29	24	25	23	22	28	29	25	23	24	26
DK,NA	*	1	*	1	1	1	1	*	*	*	*	1	*
TOTAL	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%
CASES	500	504	500	500	501	500	500	501	508	500	501	500	502

The question was: "We are interested in how people are getting along financially these days. Would you say that you (and your family living there) are better off or worse off financially than you were a year ago?"

* : Less than half of one percent.

CHART 5A - HISTORICAL SERIES
REASONS FOR OPINIONS ABOUT PERSONAL FINANCIAL SITUATION



CHART 5B - HISTORICAL SERIES
REASONS FOR OPINIONS ABOUT PERSONAL FINANCIAL SITUATION

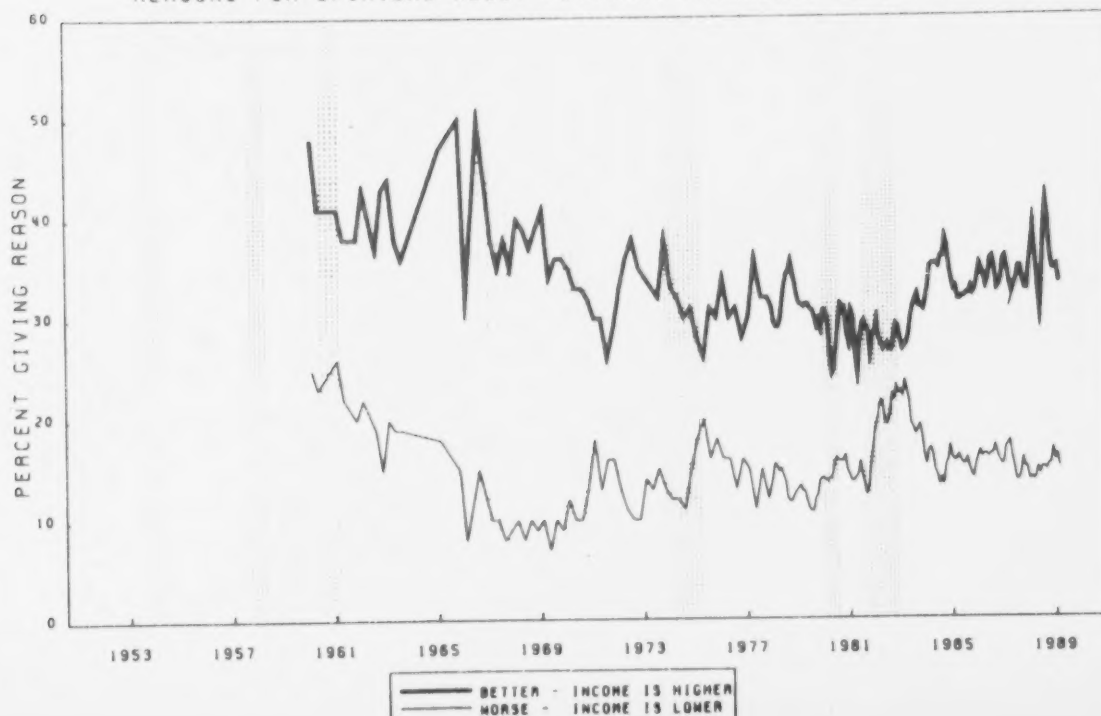


TABLE 5

SELECTED REASONS FOR OPINIONS ABOUT PERSONAL FINANCIAL SITUATION +

	Mar. 1988	Apr. 1988	May 1988	June 1988	July 1988	Aug. 1988	Sept 1988	Oct. 1988	Nov. 1988	Dec. 1988	Jan. 1989	Feb. 1989	Mar. 1989
BETTER OFF THAN YEAR AGO:													
Income is higher	40%	30%	29%	32%	40%	45%	40%	34%	35%	35%	34%	36%	30%
WORSE OFF THAN YEAR AGO:													
Income is lower	15	14	16	13	16	16	12	18	16	17	14	18	13
Higher prices	8	9	10	10	11	13	9	15	11	14	15	12	15

Responses to the query: "Why do you say so?" following the question on Table 4.

+ : May add to more than 100% due to multiple mentions.

CHART 6 - RECENT CHANGES
EXPECTED CHANGE IN FINANCIAL SITUATION

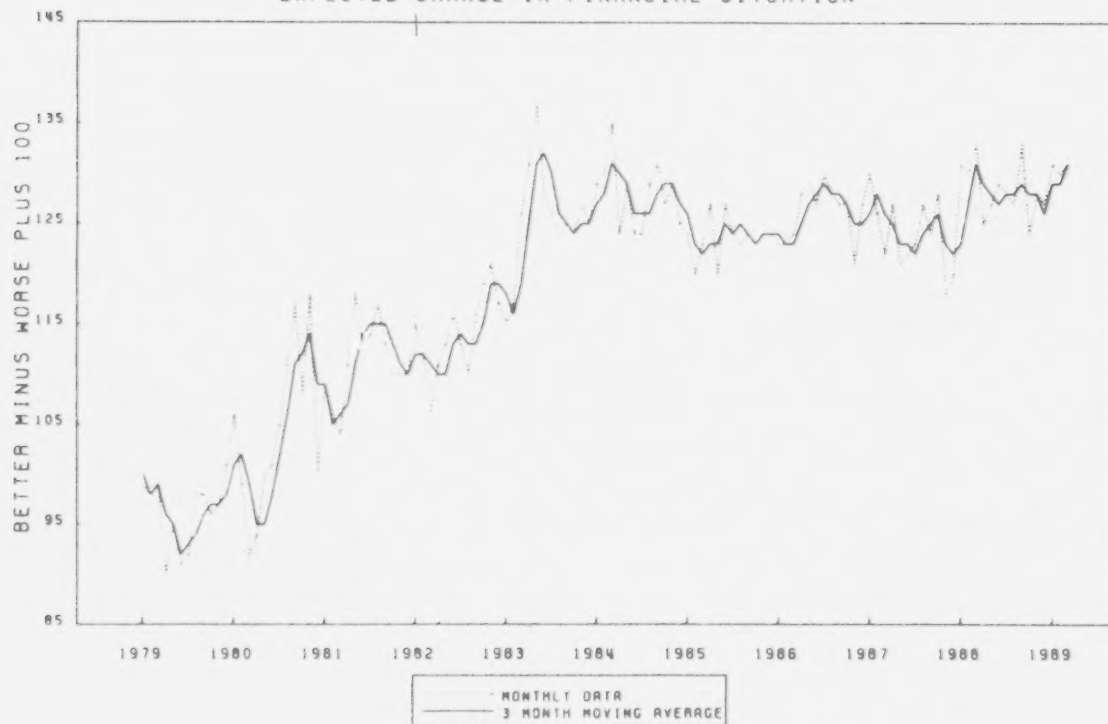


CHART 6 - HISTORICAL SERIES
EXPECTED CHANGE IN FINANCIAL SITUATION

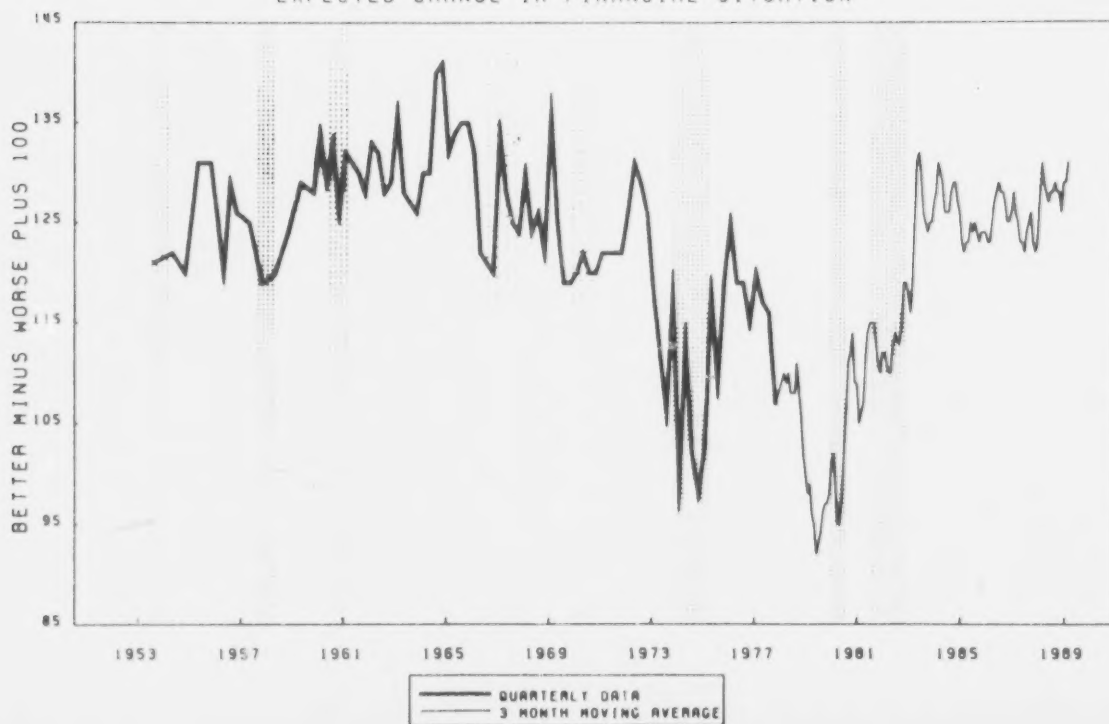


TABLE 6
EXPECTED CHANGE IN FINANCIAL SITUATION

	Mar. 1988	Apr. 1988	May 1988	June 1988	July 1988	Aug. 1988	Sept 1988	Oct. 1988	Nov. 1988	Dec. 1988	Jan. 1989	Feb. 1989	Mar. 1989
BETTER OFF	39%	34%	36%	39%	38%	36%	41%	36%	37%	39%	41%	40%	40%
SAME	52	54	52	48	48	49	47	48	49	46	47	46	49
WORSE OFF	6	9	9	10	10	9	8	12	9	12	10	10	9
DK,NA	3	3	3	3	4	6	4	4	5	3	2	4	2
TOTAL	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%
CASES	500	504	500	500	501	500	500	501	508	500	501	500	502

The question was: "Now looking ahead--do you think that a year from now you (and your family living there) will be better off financially, or worse off, or just about the same as now?"

CHART 7 - RECENT CHANGES
TREND IN PERSONAL FINANCIAL SITUATION



CHART 7 - HISTORICAL SERIES
TREND IN PERSONAL FINANCIAL SITUATION

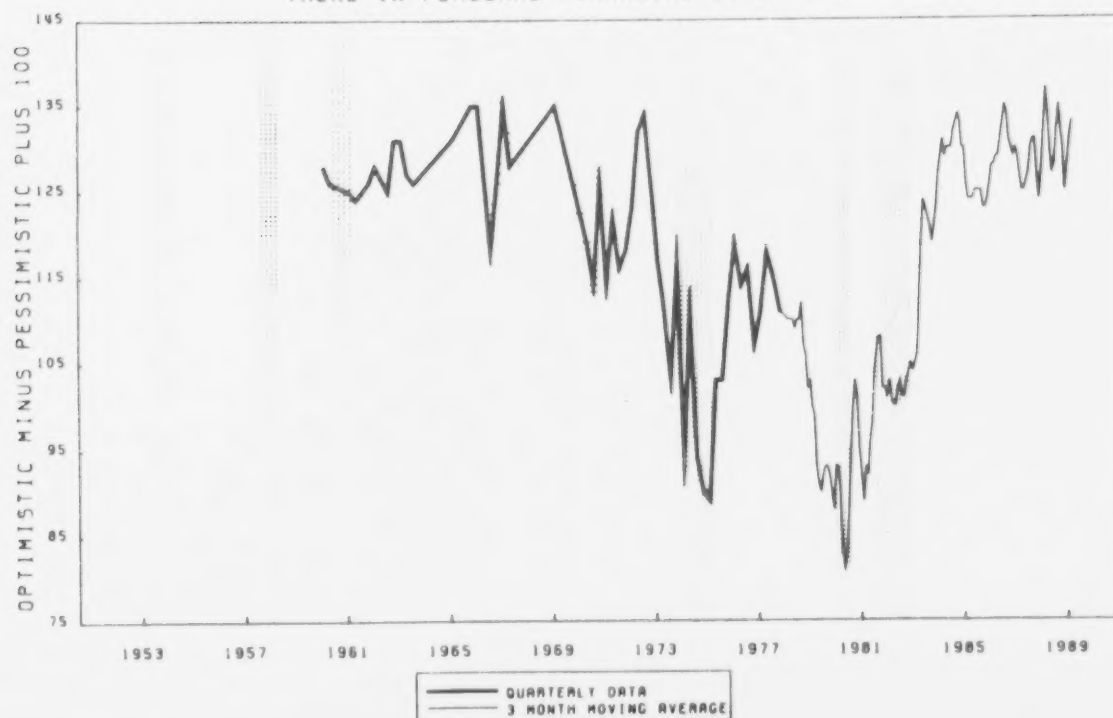


TABLE 7
TREND IN PERSONAL FINANCIAL SITUATION

	Mar. 1988	Apr. 1988	May 1988	June 1988	July 1988	Aug. 1988	Sept 1988	Oct. 1988	Nov. 1988	Dec. 1988	Jan. 1989	Feb. 1989	Mar. 1989
PERSONAL FINANCIAL PROGRESS:													
Continuous increase (a)	25%	18%	19%	24%	19%	25%	25%	20%	21%	22%	23%	22%	20%
Intermittant increase (b)	30	30	24	25	31	26	28	25	25	23	29	29	29
Remain unchanged (c)	17	20	21	19	16	16	17	18	18	20	18	17	18
Intermittant decline (d)	13	16	17	16	13	14	10	15	16	16	13	12	15
Continuous decline (e)	3	3	4	4	4	4	3	6	4	4	5	5	4
Mixed change (f)	9	9	13	9	13	8	12	11	11	11	10	11	12
DK,NA	3	4	2	3	4	7	5	5	5	4	2	4	2
TOTAL	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%
CASES	500	504	500	500	501	500	500	501	508	500	501	500	502

Combination of the responses to the questions on Tables 4 and 6.

Key: (a) Better off financially than a year ago/Better off a year from now
 (b) Better/Same or Same/Better
 (c) Same/Same
 (d) Worse/Same or Same/Worse
 (e) Worse/Worse
 (f) Worse/Better or Better/Worse

CHART 8 - RECENT CHANGES
 MEDIAN EXPECTED CHANGE IN FAMILY INCOME

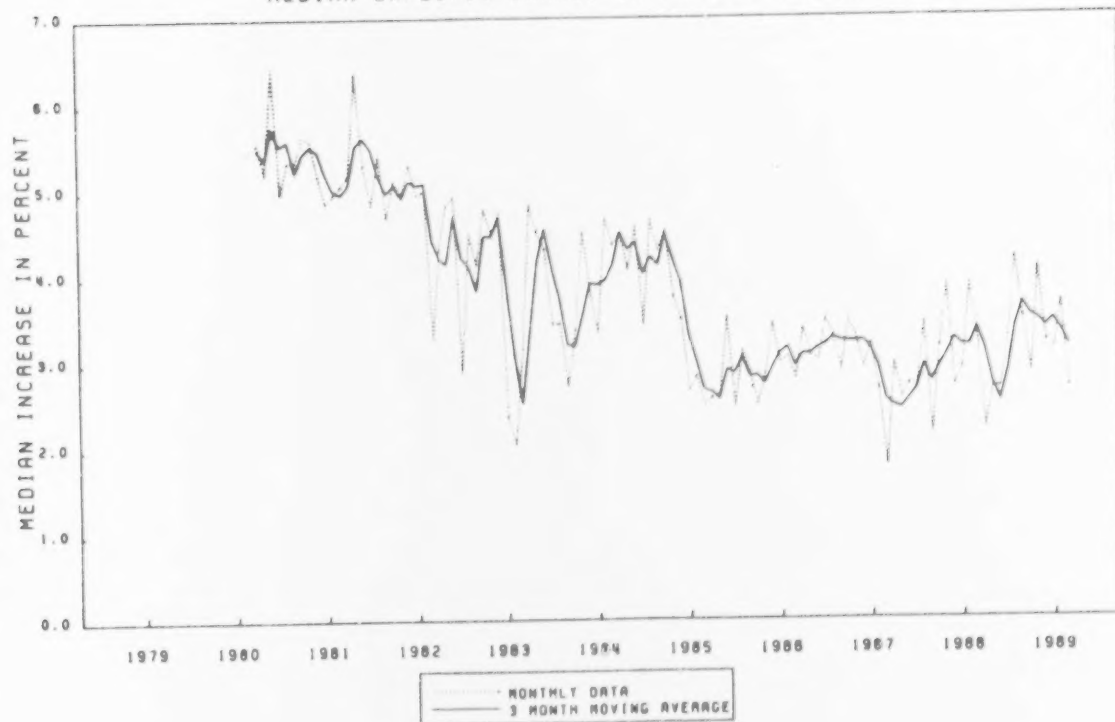


CHART 8 - HISTORICAL SERIES
 MEDIAN EXPECTED CHANGE IN FAMILY INCOME

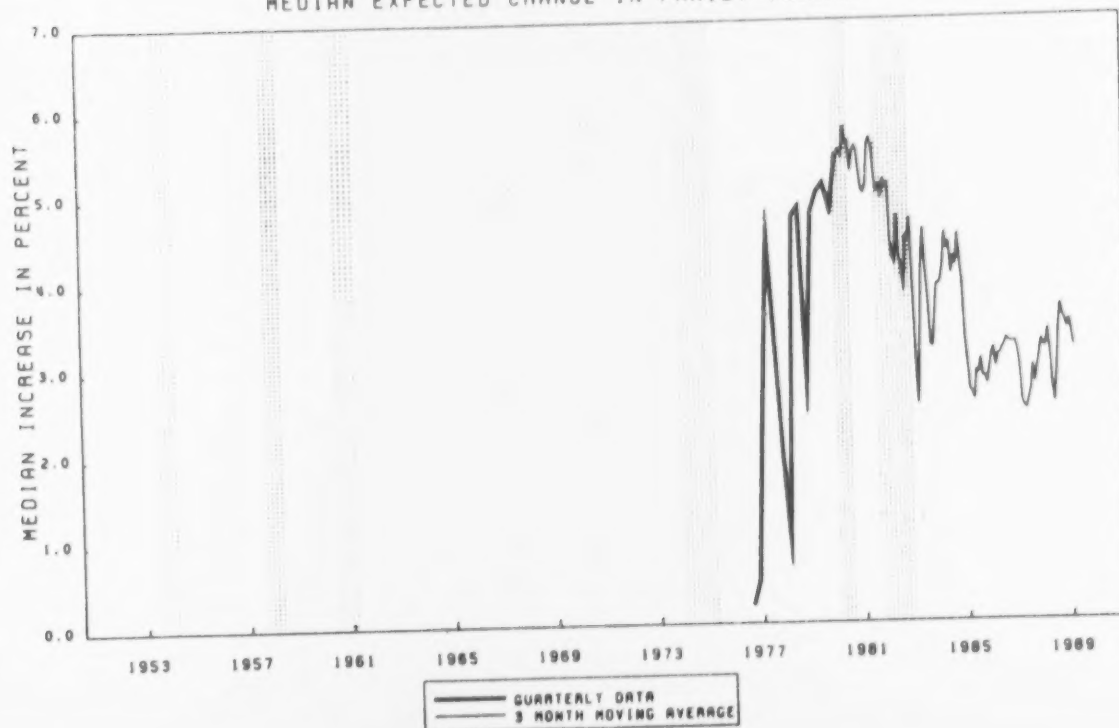


TABLE 8
EXPECTED FAMILY INCOME CHANGE DURING THE NEXT 12 MONTHS

	Mar. 1988	Apr. 1988	May 1988	June 1988	July 1988	Aug. 1988	Sept 1988	Oct. 1988	Nov. 1988	Dec. 1988	Jan. 1989	Feb. 1989	Mar. 1989
EXPECT INCREASE:													
1-4%	16%	16%	15%	15%	18%	14%	16%	16%	18%	21%	15%	17%	16%
5%	11	9	12	9	10	14	10	12	11	11	9	15	10
6-9%	7	6	7	7	10	9	8	6	9	7	10	7	7
10-24%	17	14	13	15	14	17	16	15	15	15	14	15	14
25% or more	7	6	9	6	7	5	8	6	7	6	8	7	7
DK how much up	2	6	2	5	5	6	6	5	7	4	4	5	5
EXPECT SAME	29	30	28	28	24	25	25	27	20	22	27	22	27
EXPECT DOWN	9	12	13	13	11	9	10	12	11	13	13	11	14
DK, NA	2	1	1	2	1	1	1	1	2	1	*	1	*
TOTAL	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%
CASES	500	504	500	500	501	500	500	501	508	500	501	500	502

The questions were: "During the next 12 months, do you expect your (family) income to be higher or lower than during the past year?" and "By about what percent do you expect your (family) income to increase during the next 12 months?"

* : Less than half of one percent.

CHART 9 - RECENT CHANGES
INCOME OR PRICES UP MORE NEXT YEAR



CHART 9 - HISTORICAL SERIES
INCOME OR PRICES UP MORE NEXT YEAR

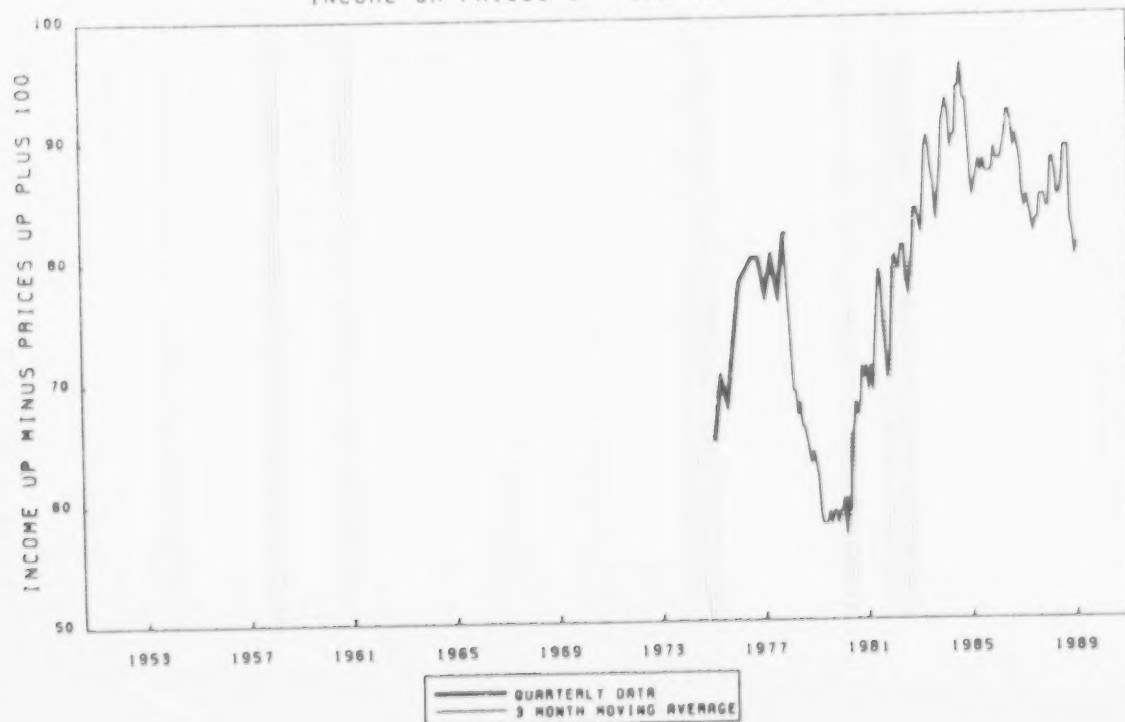


TABLE 9

EXPECTED CHANGE IN REAL FAMILY INCOME

	Mar. 1988	Apr. 1988	May 1988	June 1988	July 1988	Aug. 1988	Sept 1988	Oct. 1988	Nov. 1988	Dec. 1988	Jan. 1989	Feb. 1989	Mar. 1989
INCOME UP MORE	22%	19%	19%	18%	19%	20%	25%	18%	21%	17%	19%	18%	17%
INCOME UP SAME	44	47	44	46	46	43	41	46	43	41	41	43	44
PRICES UP MORE	31	33	34	33	34	32	31	34	33	40	37	36	37
DK,NA	3	1	3	3	1	5	3	2	3	2	3	3	2
TOTAL	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%
CASES	500	504	500	500	501	500	500	501	508	500	501	500	502

The question was: "How about the next year or two--do you expect that your (family) income will go up more than prices will go up, about the same, or less than prices will go up?"

CHART 10 - RECENT CHANGES
NEWS HEARD OF RECENT CHANGES IN BUSINESS CONDITIONS

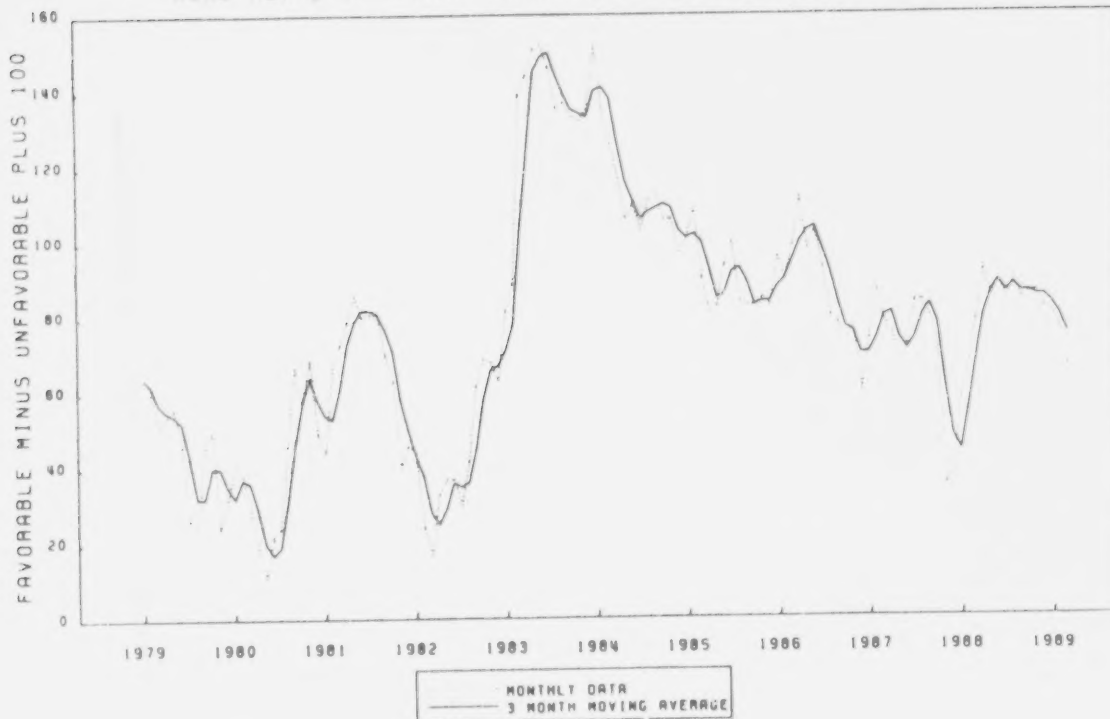


CHART 10 - HISTORICAL SERIES
NEWS HEARD OF RECENT CHANGES IN BUSINESS CONDITIONS

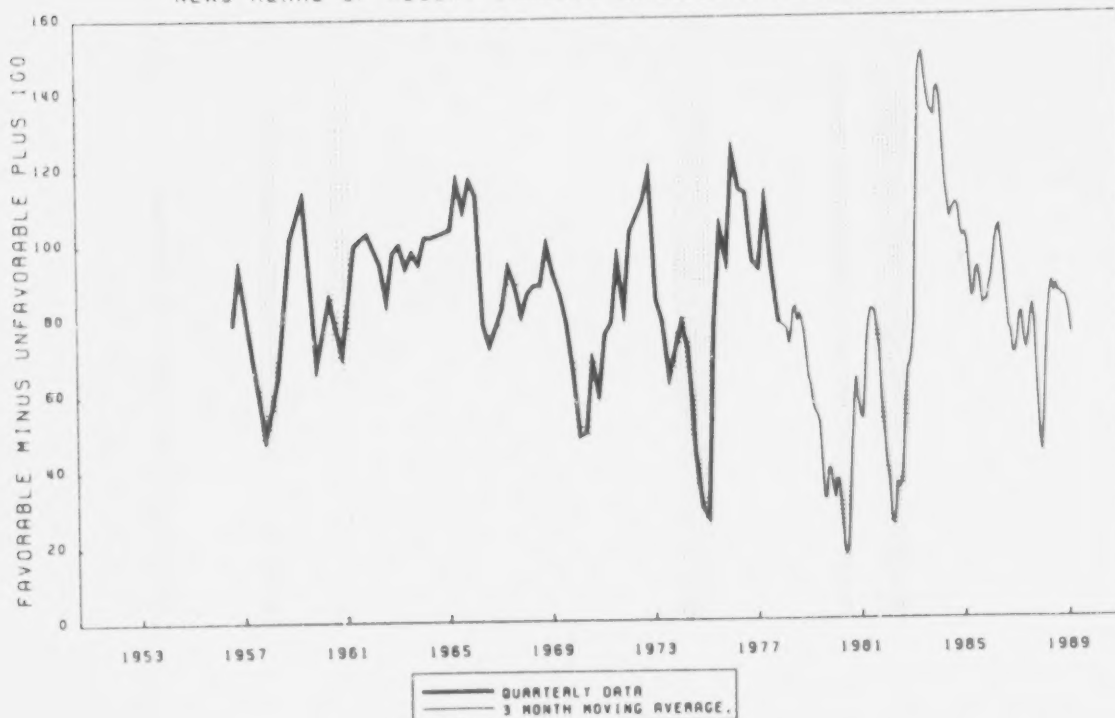


TABLE 10

NEWS HEARD OF RECENT CHANGES IN BUSINESS CONDITIONS +

	Mar. 1988	Apr. 1988	May 1988	June 1988	July 1988	Aug. 1988	Sept 1988	Oct. 1988	Nov. 1988	Dec. 1988	Jan. 1989	Feb. 1989	Mar. 1989
FAVORABLE NEWS	29%	30%	33%	29%	29%	28%	32%	29%	25%	30%	24%	27%	22%
UNFAVORABLE NEWS	50	37	48	40	44	39	48	43	39	48	43	50	56
NO MENTIONS	45	51	44	50	50	53	46	52	54	50	55	48	49

The questions were: "During the last few months, have you heard of any favorable or unfavorable changes in business conditions?" and "What did you hear?"

+ : May add to more than 100% due to multiple mentions.

CHART 11A - HISTORICAL SERIES
TYPE OF NEWS HEARD ABOUT CHANGES IN BUSINESS CONDITIONS

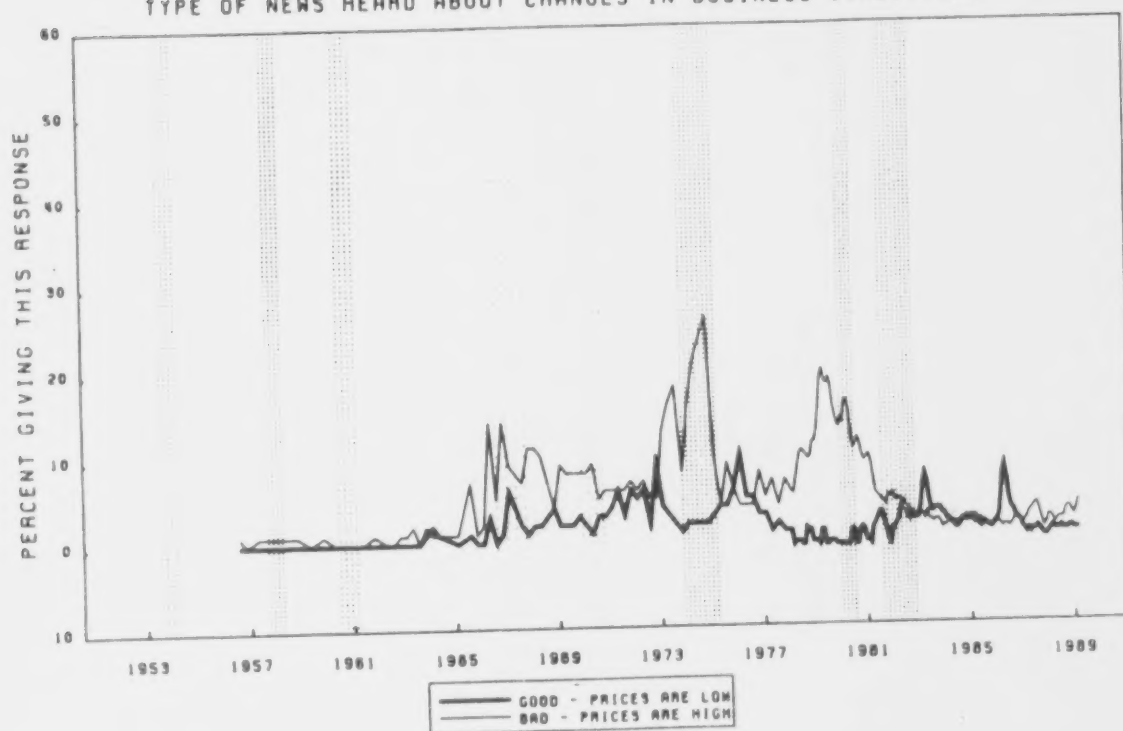


CHART 11B - HISTORICAL SERIES
TYPE OF NEWS HEARD ABOUT CHANGES IN BUSINESS CONDITIONS

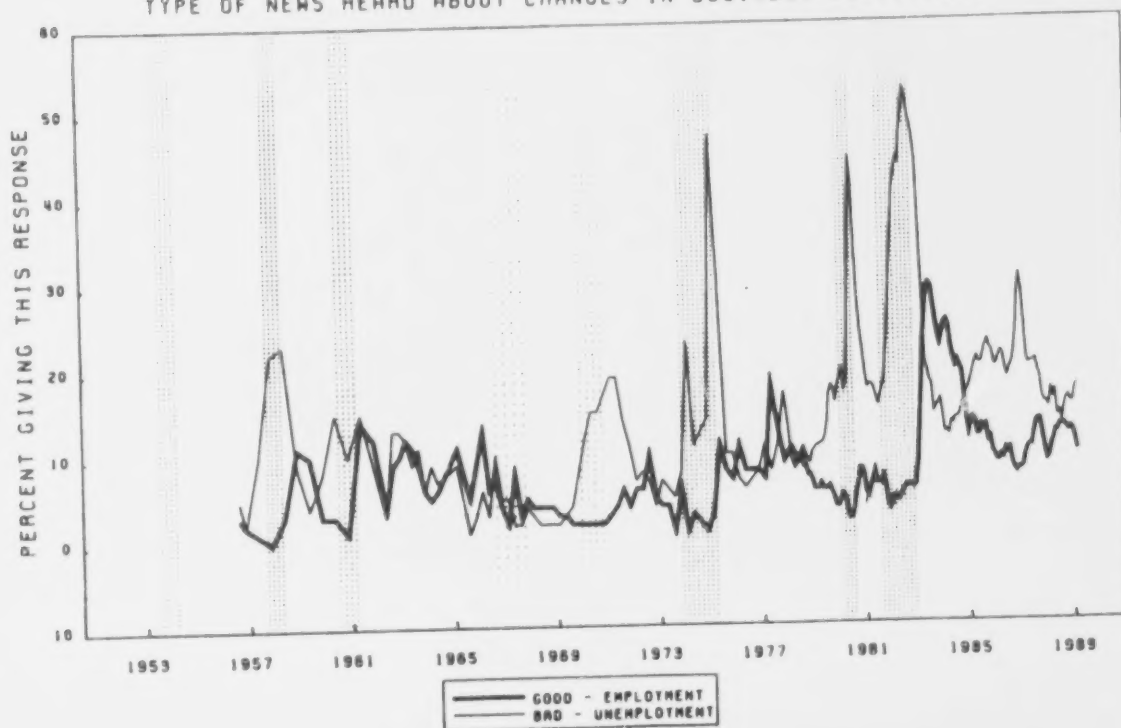


TABLE 11
SELECTED ITEMS OF
NEWS HEARD OF RECENT CHANGES IN BUSINESS CONDITIONS +

	Mar. 1988	Apr. 1988	May 1988	June 1988	July 1988	Aug. 1988	Sept 1988	Oct. 1988	Nov. 1988	Dec. 1988	Jan. 1989	Feb. 1989	Mar. 1989
FAVORABLE NEWS:													
Government; elections	1%	2%	3%	2%	1%	2%	3%	2%	2%	4%	2%	5%	3%
Employment	11	11	14	11	13	14	11	12	13	12	11	10	8
Higher consumer demand	2	1	3	1	3	2	2	2	2	2	2	1	1
Lower prices	1	*	1	1	1	*	1	1	1	1	*	1	1
Easier credit	2	2	2	1	1	1	1	1	1	1	1	1	1
Stock market	2	3	2	3	3	1	2	2	1	1	2	1	1
Trade deficit	3	2	1	2	1	1	3	2	1	1	1	1	1
UNFAVORABLE NEWS:													
Government; elections	3	5	5	6	4	3	3	5	6	7	7	7	5
Unemployment	22	12	16	13	14	12	18	17	13	16	17	18	17
Lower consumer demand	1	3	3	2	2	3	3	3	2	2	2	4	3
Higher prices	1	2	2	2	2	2	5	3	2	3	2	4	6
Tighter credit	1	1	4	3	3	7	6	4	2	6	4	5	10
Stock market	10	7	7	6	5	3	2	3	3	4	1	1	2
Trade deficit	3	3	4	3	1	2	1	1	4	2	2	3	3

The questions were: "During the last few months, have you heard of any favorable or unfavorable changes in business conditions?" and "What did you hear?"

+ : May add to more than 100% due to multiple mentions.

* : Less than half of one percent.

CHART 12 - RECENT CHANGES
CURRENT BUSINESS CONDITIONS COMPARED WITH A YEAR AGO

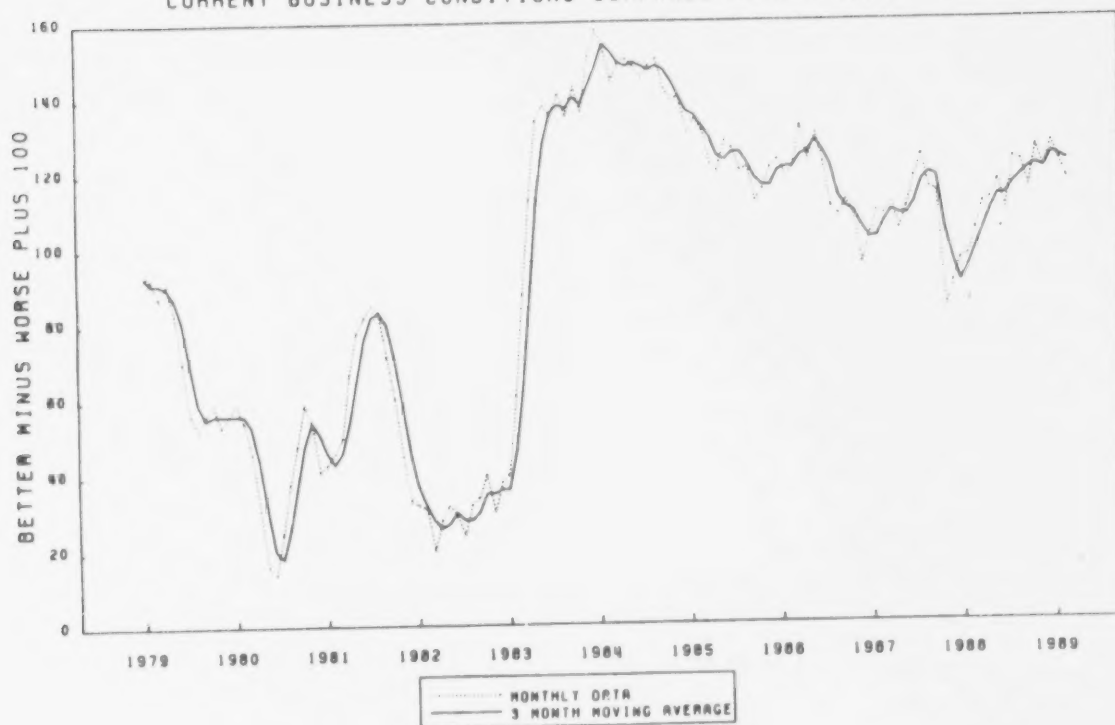


CHART 12 - HISTORICAL SERIES
CURRENT BUSINESS CONDITIONS COMPARED WITH A YEAR AGO

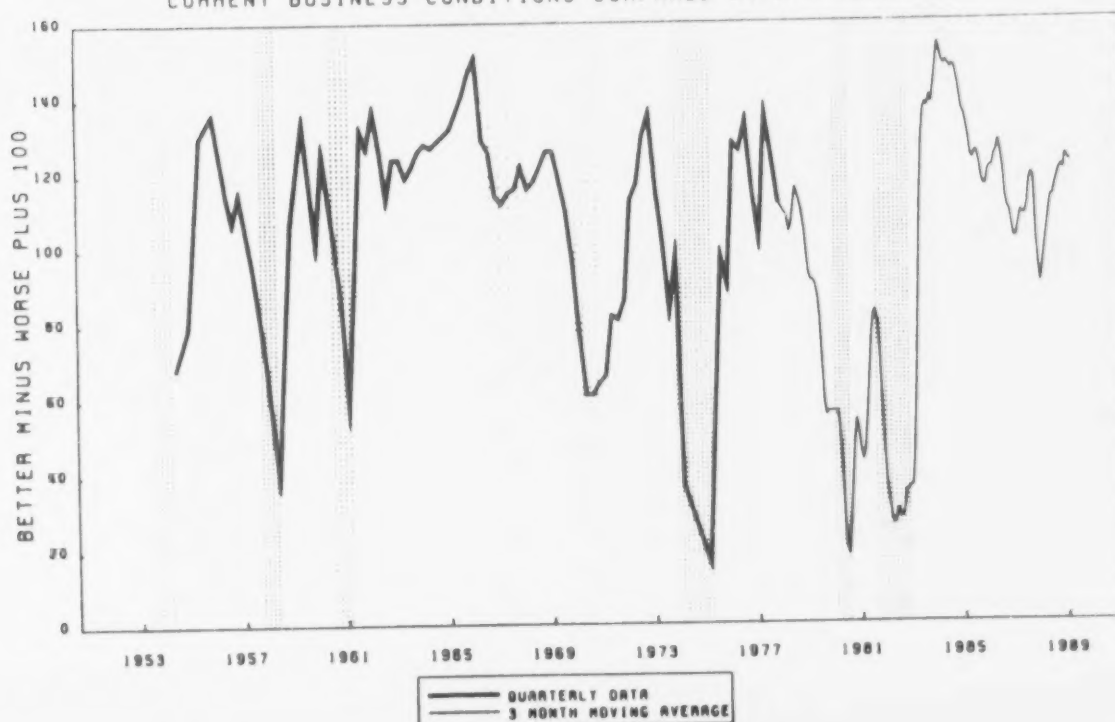


TABLE 12
CURRENT BUSINESS CONDITIONS COMPARED TO A YEAR AGO

	Mar. 1988	Apr. 1988	May 1988	June 1988	July 1988	Aug. 1988	Sept 1988	Oct. 1988	Nov. 1988	Dec. 1988	Jan. 1989	Feb. 1989	Mar. 1989
BETTER NOW	40%	47%	47%	47%	45%	51%	50%	46%	54%	49%	53%	48%	47%
SAME	21	14	17	21	15	18	20	21	17	20	19	22	22
WORSE NOW	36	36	35	30	36	28	28	31	28	29	26	26	30
DK,NA	3	3	1	2	4	3	2	2	1	2	2	4	1
TOTAL	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%
CASES	500	504	500	500	501	500	500	501	508	500	501	500	502

The question was: "Would you say that at the present time business conditions are better or worse than they were a year ago?"

CHART 13 - RECENT CHANGES
 EXPECTED CHANGE IN BUSINESS CONDITIONS IN A YEAR



CHART 13 - HISTORICAL SERIES
 EXPECTED CHANGE IN BUSINESS CONDITIONS IN A YEAR

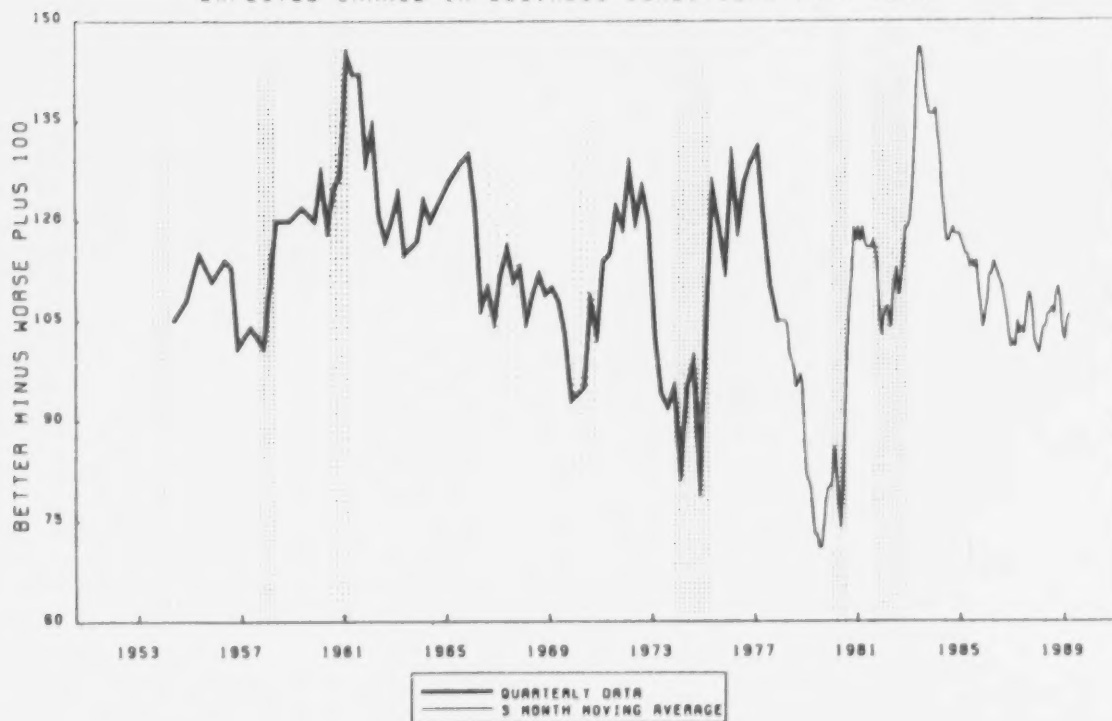


TABLE 13
EXPECTED CHANGE IN BUSINESS CONDITIONS IN A YEAR

	Mar. 1988	Apr. 1988	May 1988	June 1988	July 1988	Aug. 1988	Sept 1988	Oct. 1988	Nov. 1988	Dec. 1988	Jan. 1989	Feb. 1989	Mar. 1989
BETTER	21%	21%	26%	24%	23%	24%	27%	23%	19%	19%	23%	26%	22%
SAME	58	57	53	54	53	54	55	59	60	59	56	54	59
WORSE	17	18	16	19	18	16	14	14	18	19	17	17	18
DK,NA	4	4	5	3	6	6	4	4	3	3	4	3	1
TOTAL	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%
CASES	500	504	500	500	501	500	500	501	508	500	501	500	502

The question was: "And how about a year from now, do you expect that in the country as a whole business conditions will be better, or worse than they are at present, or just about the same?"

CHART 14 - RECENT CHANGES
TREND IN PAST AND EXPECTED BUSINESS CONDITIONS

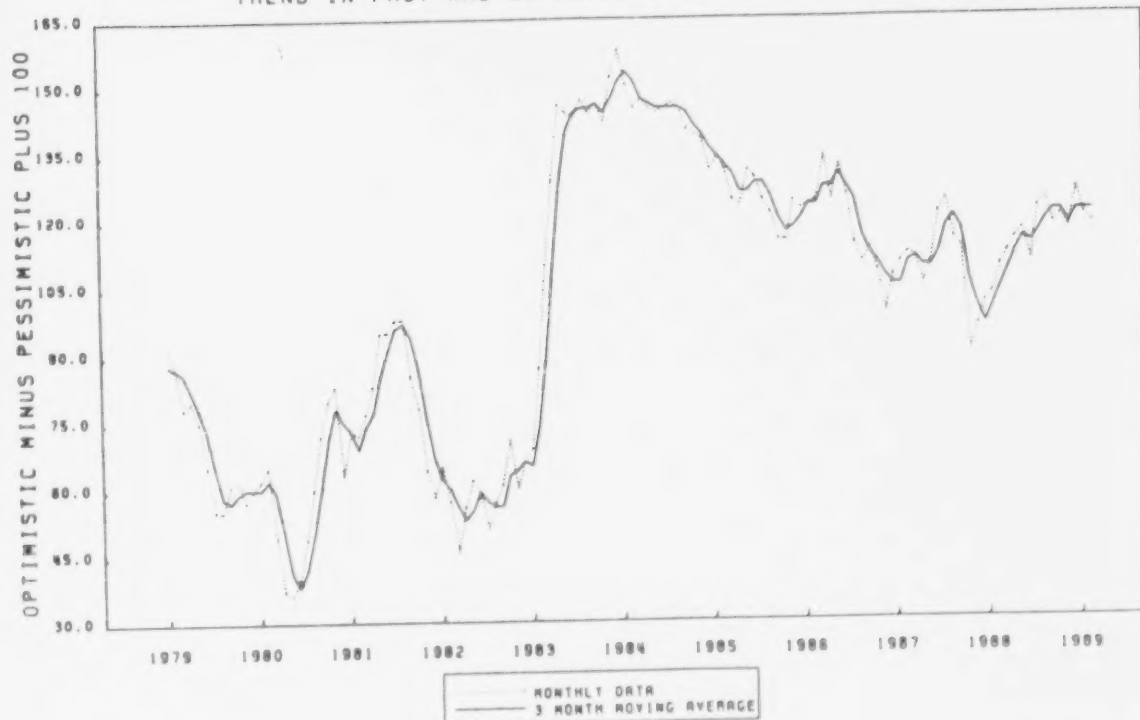


CHART 14 - HISTORICAL SERIES
TREND IN PAST AND EXPECTED BUSINESS CONDITIONS

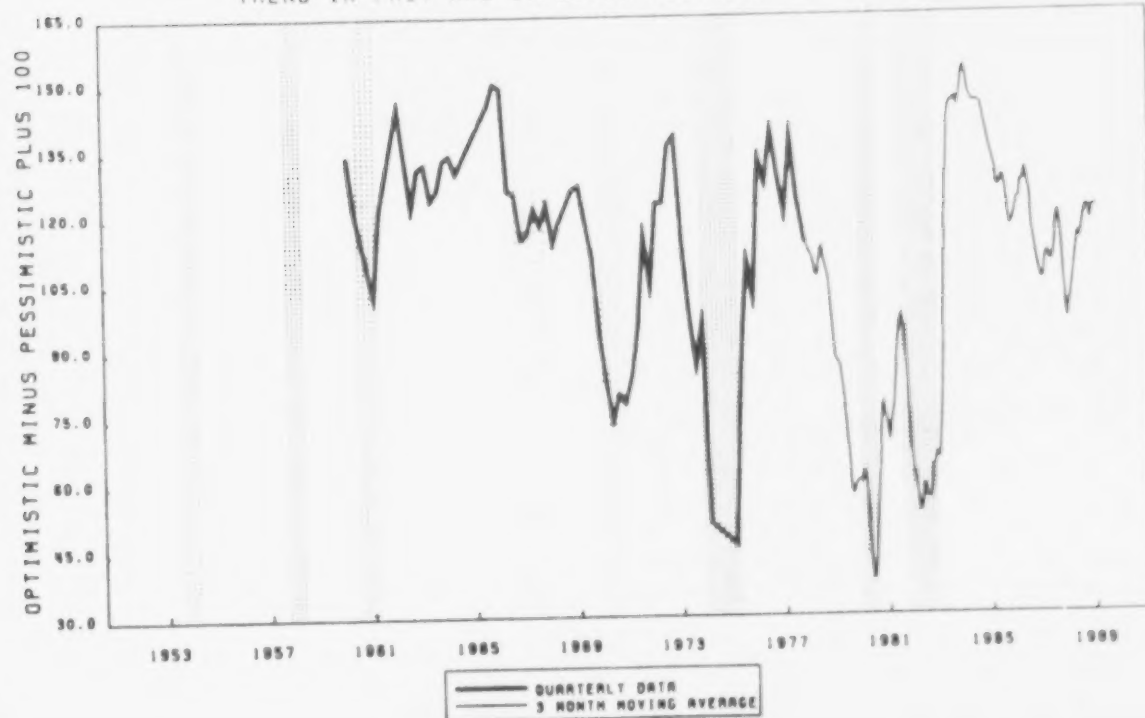


TABLE 14

TREND IN PAST AND EXPECTED CHANGES IN BUSINESS CONDITIONS

	Mar. 1988	Apr. 1988	May 1988	June 1988	July 1988	Aug. 1988	Sept 1988	Oct. 1988	Nov. 1988	Dec. 1988	Jan. 1989	Feb. 1989	Mar. 1989
TREND:													
Continuous increase (a)	10%	14%	16%	15%	12%	18%	18%	15%	13%	10%	16%	18%	12%
Intermittant increase (b)	30	30	29	30	28	29	31	31	35	35	34	28	33
Remain unchanged (c)	12	9	9	13	9	11	11	13	10	12	11	13	16
Intermittant decline (d)	21	20	20	18	20	17	19	19	21	19	16	21	16
Continuous decline (e)	10	12	10	10	10	8	6	9	7	9	8	5	11
Mixed change (f)	11	9	11	10	12	8	9	7	10	10	9	10	9
DK,NA	6	6	5	4	9	9	6	6	4	5	6	5	3
TOTAL	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%
CASES	500	504	500	500	501	500	500	501	508	500	501	500	502

Combination of the responses to the questions on Tables 12 and 13.

Key: (a) Better than a year ago/Better a year from now
 (b) Better/Same or Same/Better
 (c) Same/Same
 (d) Worse/Same or Same/Worse
 (e) Worse/Worse
 (f) Worse/Better or Better/Worse

CHART 15 - RECENT CHANGES
BUSINESS CONDITIONS EXPECTED DURING THE NEXT TWELVE MONTHS

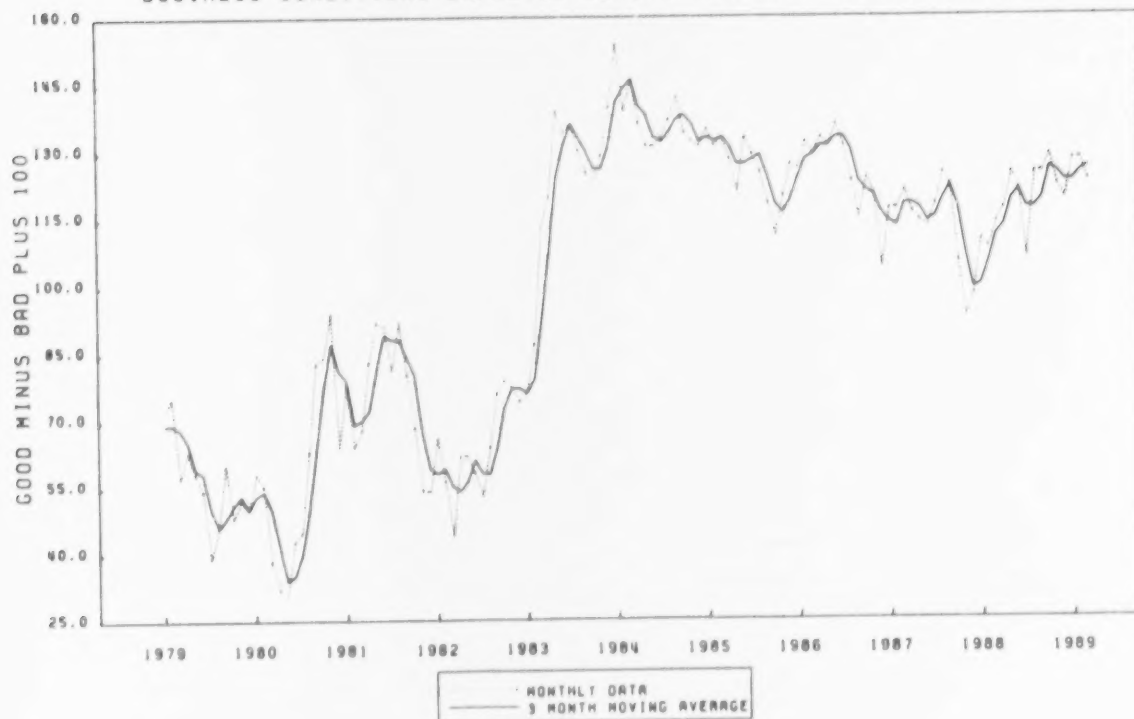


CHART 15 - HISTORICAL SERIES
BUSINESS CONDITIONS EXPECTED DURING THE NEXT TWELVE MONTHS



TABLE 15

BUSINESS CONDITIONS EXPECTED DURING THE NEXT 12 MONTHS

	Mar. 1988	Apr. 1988	May 1988	June 1988	July 1988	Aug. 1988	Sept 1988	Oct. 1988	Nov. 1988	Dec. 1988	Jan. 1989	Feb. 1989	Mar. 1989
GOOD TIMES	47%	50%	54%	54%	44%	52%	53%	54%	53%	52%	56%	56%	55%
UNCERTAIN; GOOD & BAD	4	4	4	3	4	4	5	7	4	5	4	3	4
BAD TIMES	33	33	29	33	38	27	28	25	31	33	28	28	32
DON'T KNOW	7	9	8	6	9	11	9	8	7	5	7	9	5
NOT ASCERTAINED	9	4	5	4	5	6	5	6	5	5	5	4	4
TOTAL	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%
CASES	500	504	500	500	501	500	500	501	508	500	501	500	502

The question was: "Now turning to business conditions in the country as a whole--do you think that during the next 12 months we'll have good times financially, or bad times or what?"

CHART 16 - RECENT CHANGES
BUSINESS CONDITIONS EXPECTED FOR THE NEXT FIVE YEARS



CHART 16 - HISTORICAL SERIES
BUSINESS CONDITIONS EXPECTED FOR THE NEXT FIVE YEARS

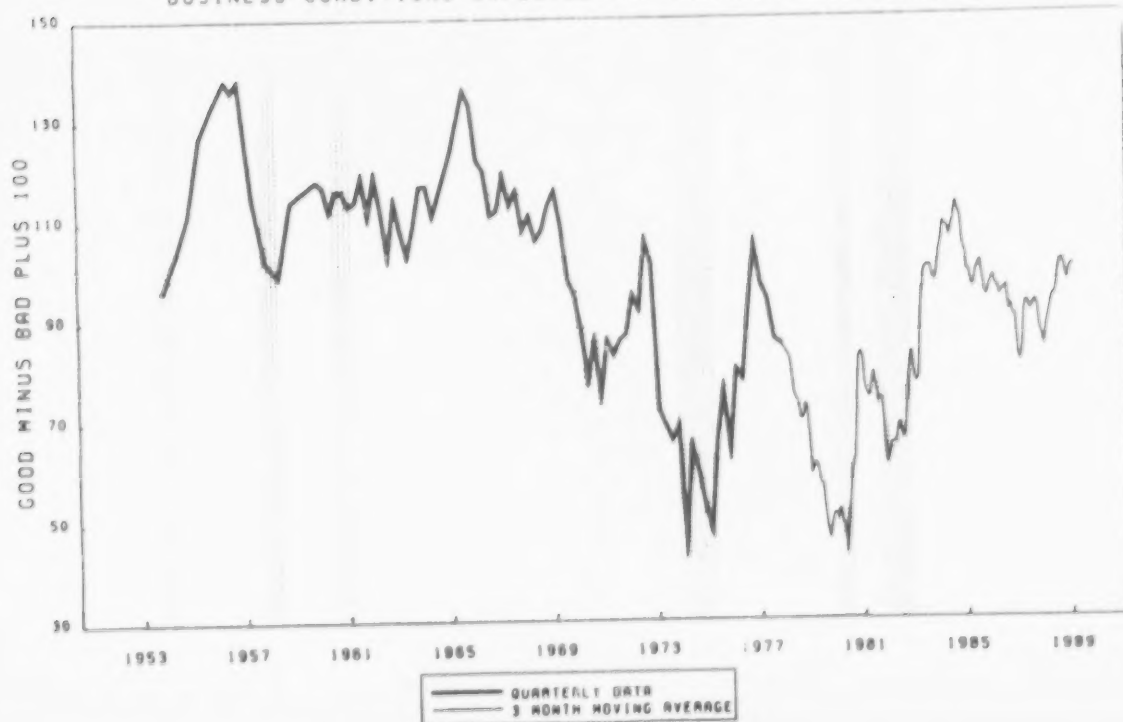


TABLE 16

BUSINESS CONDITIONS EXPECTED DURING THE NEXT FIVE YEARS

	Mar. 1988	Apr. 1988	May 1988	June 1988	July 1988	Aug. 1988	Sept 1988	Oct. 1988	Nov. 1988	Dec. 1988	Jan. 1989	Feb. 1989	Mar. 1989
GOOD TIMES	39%	36%	41%	36%	39%	43%	41%	40%	40%	41%	45%	41%	40%
UNCERTAIN; GOOD & BAD	14	15	13	16	11	16	17	12	14	12	9	12	14
BAD TIMES	43	47	43	41	43	38	39	43	43	43	42	42	42
NOT ASCERTAINED	4	2	3	7	7	3	3	5	3	4	4	5	4
TOTAL	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%
CASES	500	504	500	500	501	500	500	501	508	500	501	500	502

The question was: "Looking ahead, which would you say is more likely--that in the country as a whole we'll have continuous good times during the next 5 years or so, or that we will have periods of widespread unemployment or depression, or what?"

CHART 17 - RECENT CHANGES
EXPECTED CHANGE IN UNEMPLOYMENT



CHART 17 - HISTORICAL SERIES
EXPECTED CHANGE IN UNEMPLOYMENT



TABLE 17
EXPECTED CHANGE IN UNEMPLOYMENT

	Mar. 1988	Apr. 1988	May 1988	June 1988	July 1988	Aug. 1988	Sept 1988	Oct. 1988	Nov. 1988	Dec. 1988	Jan. 1989	Feb. 1989	Mar. 1989
LESS	12%	14%	11%	15%	15%	15%	17%	16%	14%	15%	15%	13%	12%
SAME	58	56	67	53	54	53	52	60	57	55	50	55	53
MORE	28	28	21	31	29	27	27	22	27	28	34	30	33
DK,NA	2	2	1	1	2	5	4	2	2	2	1	2	2
TOTAL	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%
CASES	500	504	500	500	501	500	500	501	508	500	501	500	502

The question was: "How about people out of work during the coming 12 months--do you think that there will be more unemployment than now, about the same, or less?"

CHART 18 - RECENT CHANGES
EXPECTED CHANGE IN INTEREST RATES

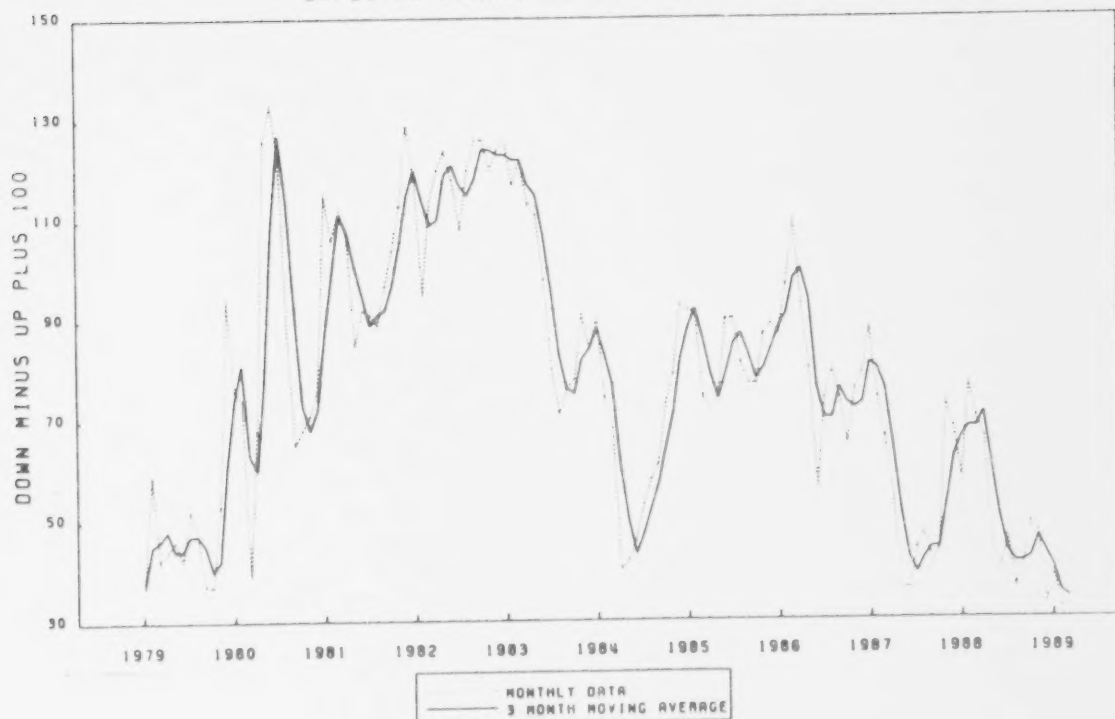


CHART 18 - HISTORICAL SERIES
EXPECTED CHANGE IN INTEREST RATES

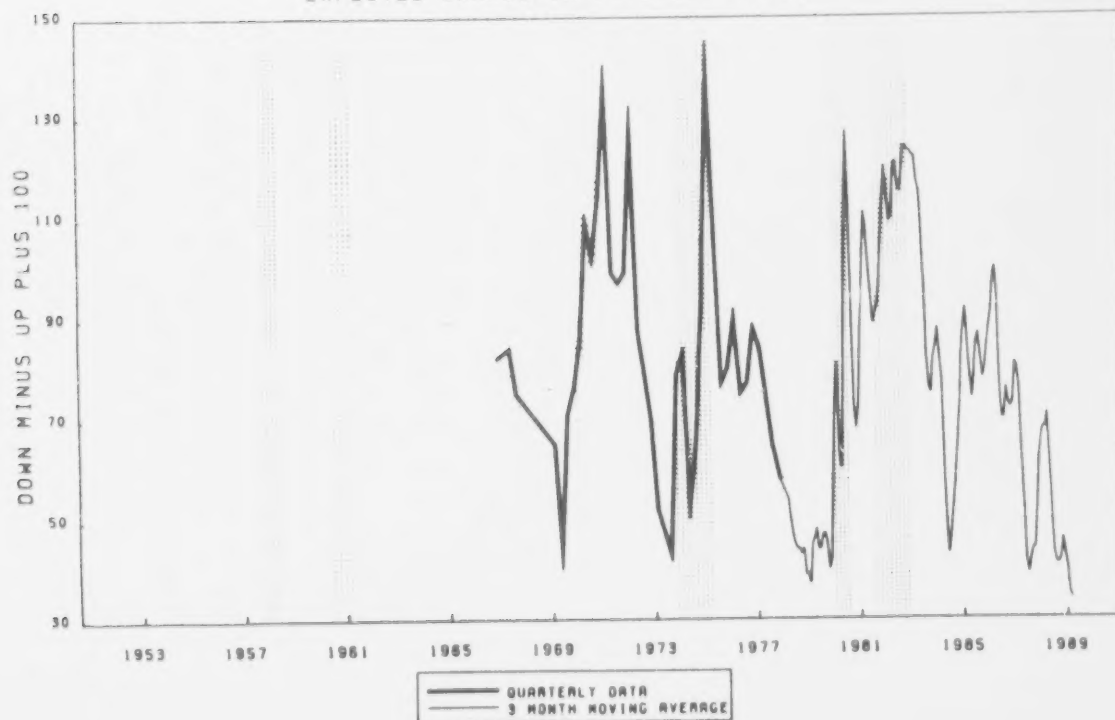


TABLE 18

EXPECTED CHANGE IN INTEREST RATES

	Mar. 1988	Apr. 1988	May 1988	June 1988	July 1988	Aug. 1988	Sept 1988	Oct. 1988	Nov. 1988	Dec. 1988	Jan. 1989	Feb. 1989	Mar. 1989
GO UP	49%	48%	64%	67%	65%	71%	67%	62%	62%	74%	68%	75%	73%
STAY THE SAME	29	35	26	24	22	19	21	24	27	16	23	16	20
GO DOWN	19	14	8	7	11	7	8	11	9	7	7	7	5
DK,NA	3	3	2	2	2	3	4	3	2	3	2	2	2
TOTAL	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%
CASES	500	504	500	500	501	500	500	501	508	500	501	500	502

The question was: "No one can say for sure, but what do you think will happen to interest rates for borrowing money during the next 12 months--will they go up, stay the same, or go down?"

CHART 19 - RECENT CHANGES
MEAN EXPECTED PRICE INCREASE OVER THE NEXT 12 MONTHS



CHART 19 - HISTORICAL SERIES
MEAN EXPECTED PRICE INCREASE OVER THE NEXT 12 MONTHS

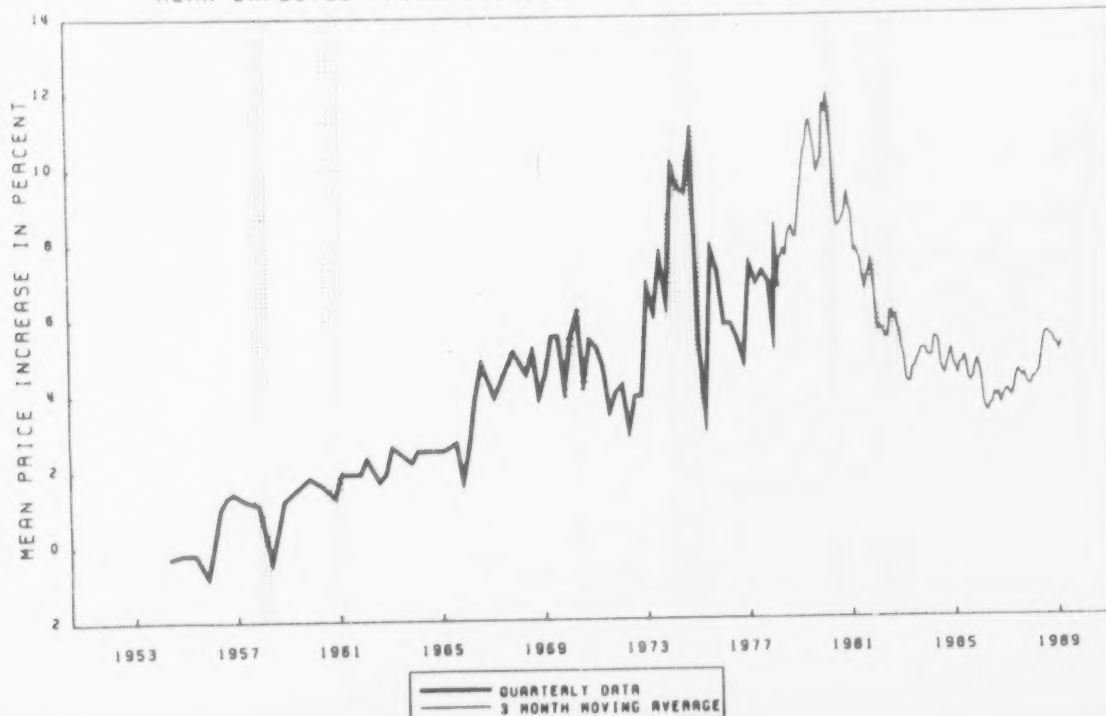


TABLE 19
EXPECTED CHANGE IN PRICES DURING THE NEXT 12 MONTHS

	Mar. 1988	Apr. 1988	May 1988	June 1988	July 1988	Aug. 1988	Sept 1988	Oct. 1988	Nov. 1988	Dec. 1988	Jan. 1989	Feb. 1989	Mar. 1989
SAME OR DOWN	18%	14%	13%	13%	8%	8%	8%	9%	11%	10%	10%	11%	12%
WILL GO UP BY:													
1-2%	19	19	19	18	15	15	16	20	15	16	20	15	18
3-4%	24	25	26	20	23	23	25	21	28	26	23	24	23
5%	19	18	18	20	19	22	21	20	18	20	19	22	17
6-9%	6	7	7	8	12	9	10	8	8	8	9	10	9
10-14%	6	7	6	9	12	8	7	9	9	11	7	8	9
15% or more	3	4	6	6	6	6	6	5	5	4	6	4	7
DK how much up	5	5	4	5	5	8	6	6	5	4	5	5	4
DK, NA	*	1	1	1	*	1	1	2	1	1	1	1	1
TOTAL	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%
MEAN INCREASE	4.1	4.5	4.9	5.6	5.6	5.4	5.5	5.2	5.4	5.0	5.1	4.8	5.6
VARIANCE	26	31	41	60	37	38	52	40	55	32	41	29	64
CASES	500	504	500	500	501	500	500	501	508	500	501	500	502

The questions were: "During the next 12 months, do you think that prices in general will go up, or go down, or stay where they are now?" and "By about what percent do you expect prices to go up, on the average, during the next 12 months?"

* : Less than half of one percent.

CHART 20 - RECENT CHANGES
OPINIONS ABOUT THE GOVERNMENT'S ECONOMIC POLICY

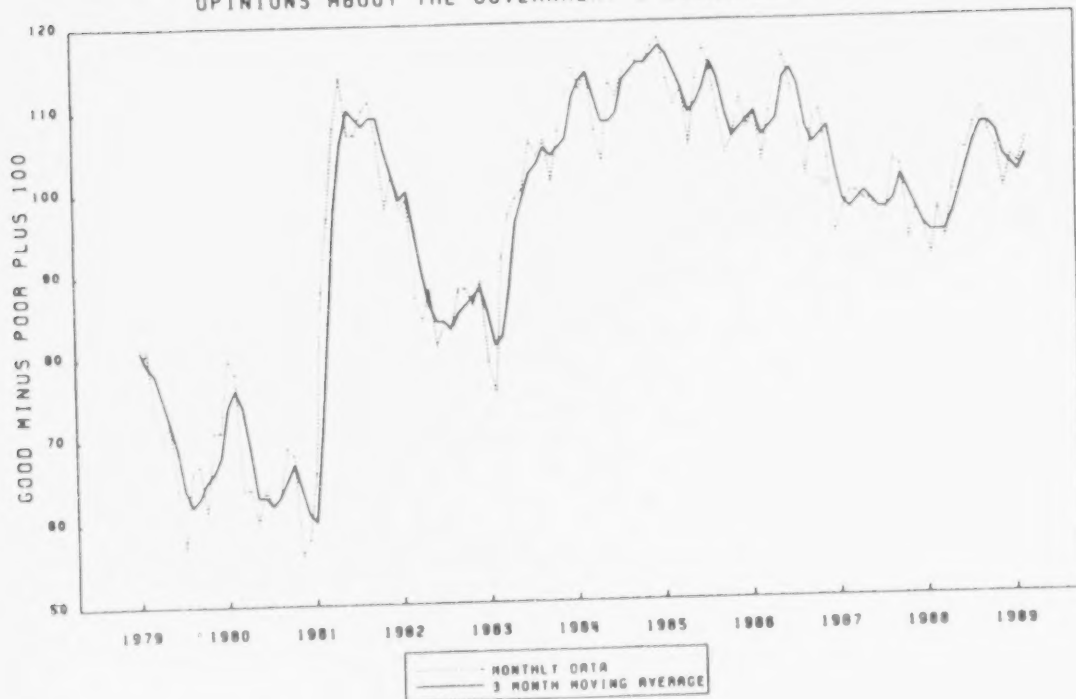


CHART 20 - HISTORICAL SERIES
OPINIONS ABOUT THE GOVERNMENT'S ECONOMIC POLICY

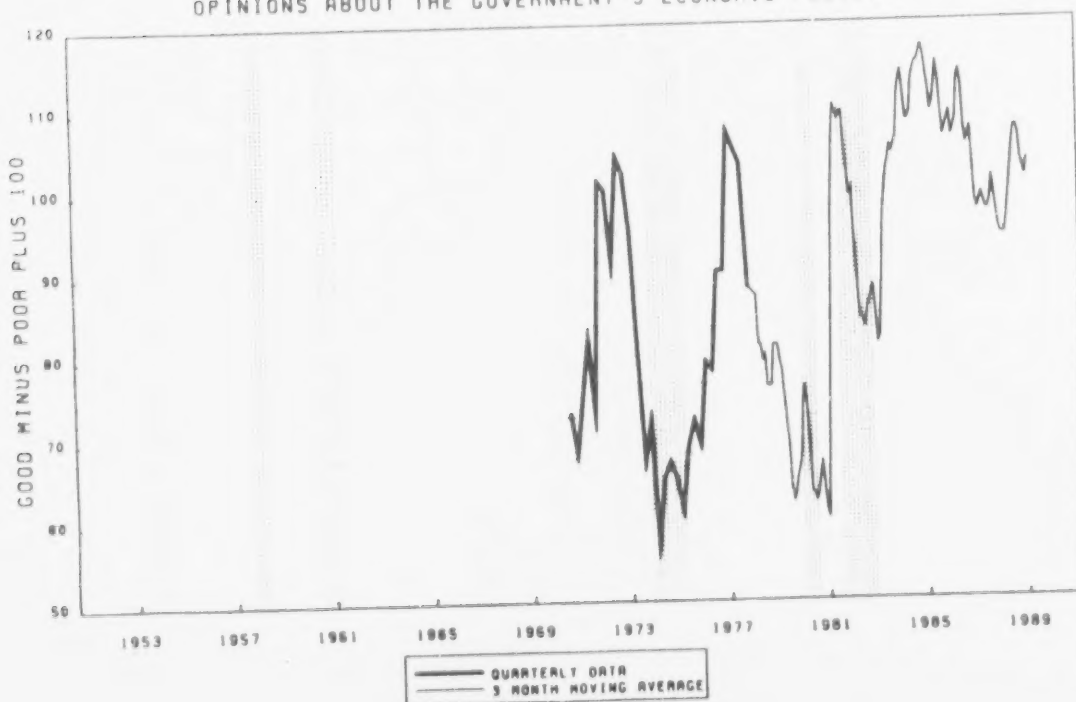


TABLE 20
OPINIONS ABOUT THE GOVERNMENT'S ECONOMIC POLICY

	Mar. 1988	Apr. 1988	May 1988	June 1988	July 1988	Aug. 1988	Sept 1988	Oct. 1988	Nov. 1988	Dec. 1988	Jan. 1989	Feb. 1989	Mar. 1989
A GOOD JOB	23%	18%	21%	23%	25%	28%	29%	26%	27%	20%	27%	23%	25%
ONLY FAIR	49	56	56	57	51	48	49	51	49	57	48	51	52
A POOR JOB	26	25	22	19	21	21	20	20	23	21	24	21	20
DK,NA	2	1	1	1	3	3	2	3	1	2	1	5	3
TOTAL	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%
CASES	500	504	500	500	501	500	500	501	508	500	501	500	502

The question was: "As to the economic policy of the government--I mean steps taken to fight inflation or unemployment--would you say the government is doing a good job, only fair, or a poor job?"

CHART 21 - RECENT CHANGES
BUYING CONDITIONS FOR LARGE HOUSEHOLD GOODS



CHART 21 - HISTORICAL SERIES
BUYING CONDITIONS FOR LARGE HOUSEHOLD GOODS



TABLE 21
BUYING CONDITIONS FOR LARGE HOUSEHOLD GOODS

	Mar. 1988	Apr. 1988	May 1988	June 1988	July 1988	Aug. 1988	Sept 1988	Oct. 1988	Nov. 1988	Dec. 1988	Jan. 1989	Feb. 1989	Mar. 1989
GOOD TIME TO BUY	71%	73%	79%	74%	79%	74%	71%	73%	73%	70%	78%	71%	72%
UNCERTAIN, DEPENDS	14	8	7	15	9	12	15	12	10	10	9	12	12
BAD TIME TO BUY	15	19	14	11	12	14	14	15	17	20	13	17	16
TOTAL	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%
CASES	500	504	500	500	501	500	500	501	508	500	501	500	502

The question was: "About the big things people buy for their homes--such as furniture, a refrigerator, stove, television, and things like that. Generally speaking, do you think now is a good or a bad time for people to buy major household items?"

CHART 22A - HISTORICAL SERIES
REASONS FOR OPINIONS ABOUT BUYING CONDITIONS FOR DURABLES

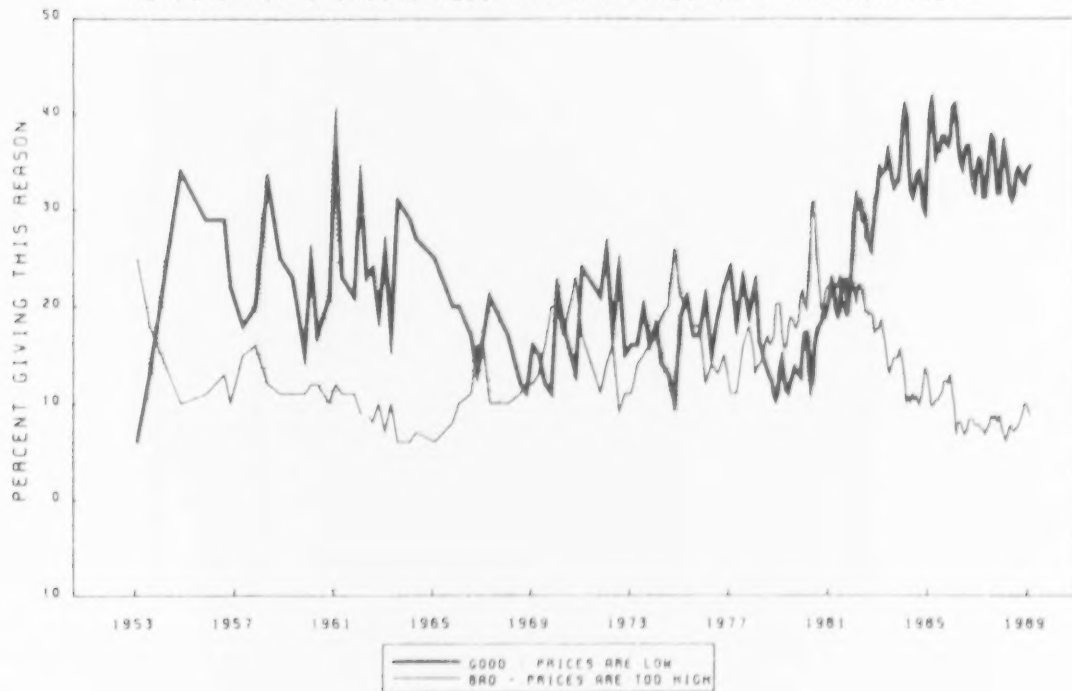


CHART 22B - HISTORICAL SERIES
REASONS FOR OPINIONS ABOUT BUYING CONDITIONS FOR DURABLES

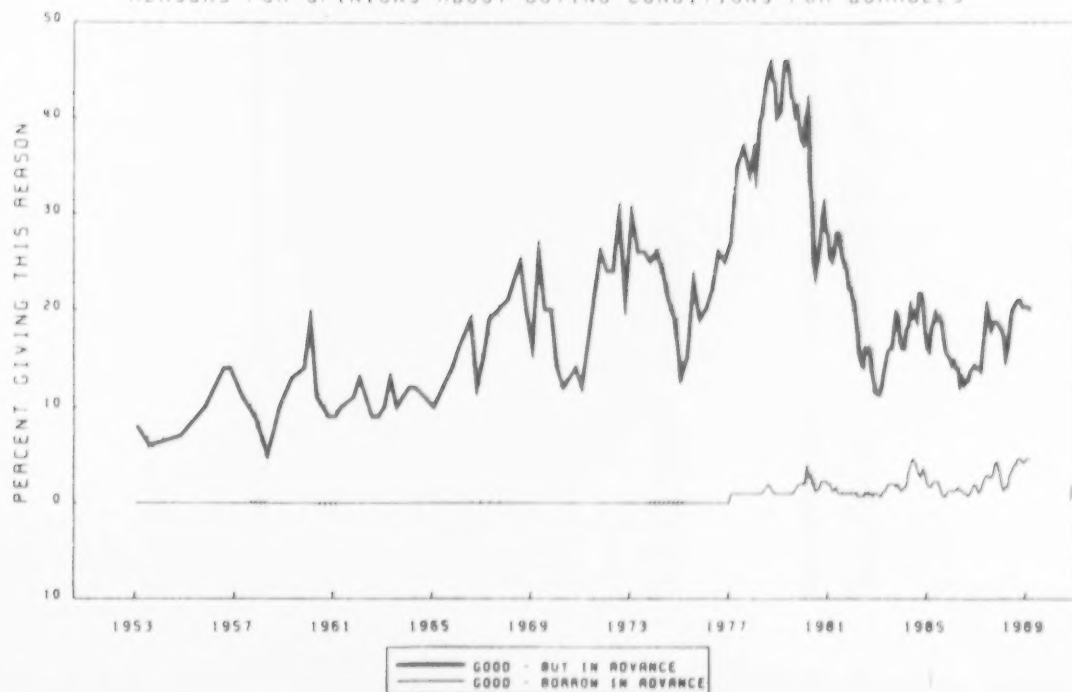


TABLE 22

SELECTED REASONS FOR OPINIONS ABOUT BUYING CONDITIONS FOR LARGE HOUSEHOLD GOODS +

	Mar. 1988	Apr. 1988	May 1988	June 1988	July 1988	Aug. 1988	Sept 1988	Oct. 1988	Nov. 1988	Dec. 1988	Jan. 1989	Feb. 1989	Mar. 1989
GOOD TIME TO BUY:													
Prices are low; good buys available	33%	32%	30%	31%	34%	36%	33%	32%	34%	32%	36%	35%	33%
Prices won't come down; are going higher	15	19	20	20	21	21	21	21	19	21	21	19	20
Interest rates are low	10	9	6	8	7	7	7	7	8	4	5	4	6
Borrow-in-advance of rising interest rates	2	2	5	3	4	5	5	4	4	5	5	4	5
Times are good; prosperity	8	10	7	7	10	7	5	8	5	7	7	9	7
BAD TIME TO BUY:													
Prices are high	8	7	8	7	6	9	8	8	11	11	7	9	10
Interest rates are high; credit is tight	4	4	4	2	2	3	3	4	3	5	2	5	5
Times are bad; can't afford to buy	5	6	3	2	3	3	2	4	3	3	4	5	4
Bad times ahead; uncertain future	2	4	2	1	3	3	3	2	1	3	3	3	1

Responses to the query: "Why do you say so?" following the question on Table 21.

+ : May add to more than 100% due to multiple mentions.

CHART 22C - HISTORICAL SERIES
REASONS FOR OPINIONS ABOUT BUYING CONDITIONS FOR DURABLES

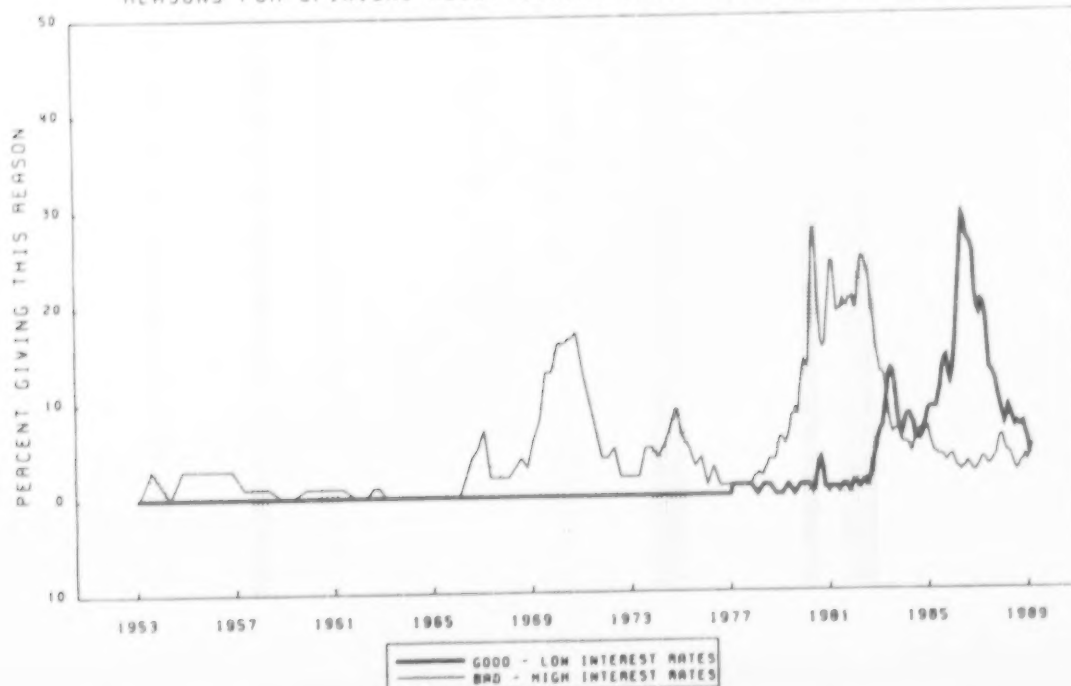


CHART 23 - RECENT CHANGES
BUYING CONDITIONS FOR HOUSES

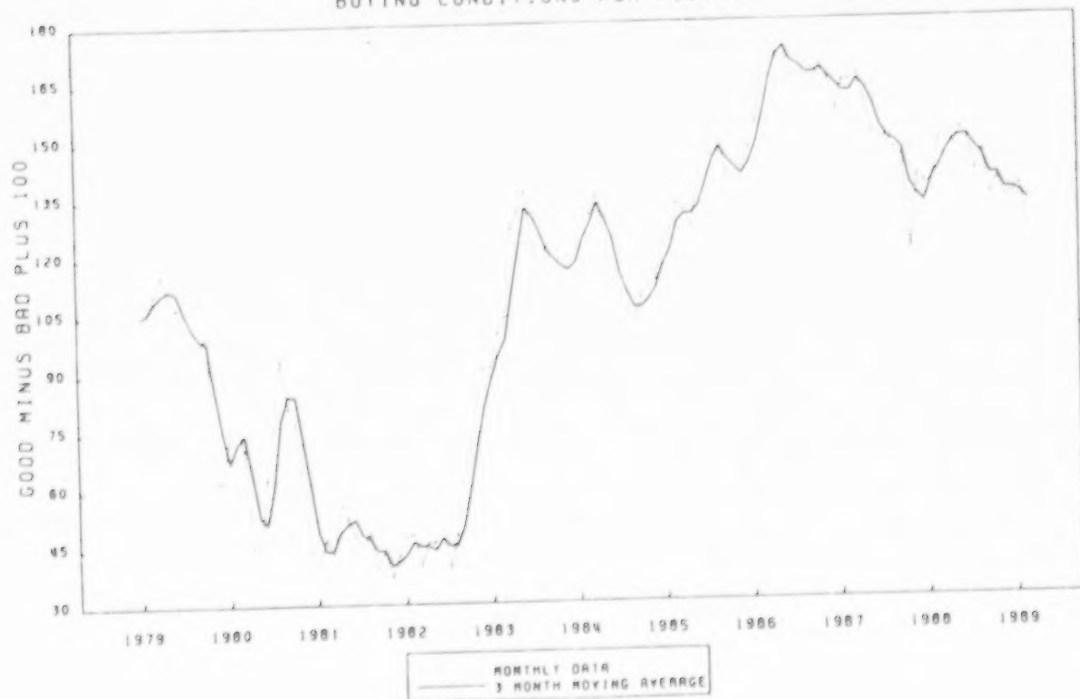


CHART 23 - HISTORICAL SERIES
BUYING CONDITIONS FOR HOUSES

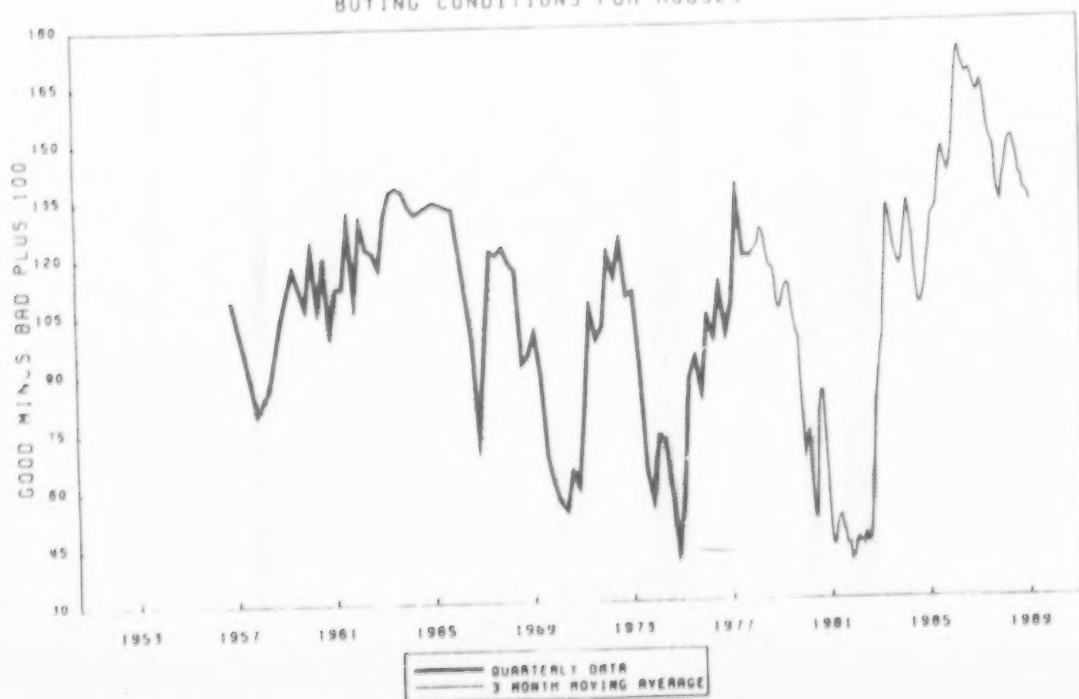


TABLE 23
BUYING CONDITIONS FOR HOUSES

	Mar. 1988	Apr. 1988	May 1988	June 1988	July 1988	Aug. 1988	Sept 1988	Oct. 1988	Nov. 1988	Dec. 1988	Jan. 1989	Feb. 1989	Mar. 1989
GOOD TIME TO BUY	71%	72%	72%	73%	72%	67%	70%	64%	67%	63%	64%	64%	60%
UNCERTAIN, DEPENDS	6	5	3	5	4	6	5	5	4	7	6	8	5
BAD TIME TO BUY	23	23	25	22	24	27	25	31	29	30	30	28	35
TOTAL	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%
CASES	500	504	500	500	501	500	500	501	508	500	501	500	502

The question was: "Generally speaking, do you think now is a good time or a bad time to buy a house?"

CHART 24A - HISTORICAL SERIES
REASONS FOR OPINIONS ABOUT BUYING CONDITIONS FOR HOUSES



CHART 24B - HISTORICAL SERIES
REASONS FOR OPINIONS ABOUT BUYING CONDITIONS FOR HOUSES



TABLE 24

SELECTED REASONS FOR OPINIONS ABOUT BUYING CONDITIONS FOR HOUSES +

	Mar. 1988	Apr. 1988	May 1988	June 1988	July 1988	Aug. 1988	Sept 1988	Oct. 1988	Nov. 1988	Dec. 1988	Jan. 1989	Feb. 1989	Mar. 1989
GOOD TIME TO BUY:													
Prices are low; good buys available	27%	20%	16%	19%	24%	18%	21%	18%	19%	16%	19%	20%	17%
Prices won't come down; are going higher	9	10	12	12	12	10	15	11	13	13	13	10	12
Interest rates are low	47	40	37	34	30	28	22	25	33	19	22	20	17
Borrow-in-advance of rising interest rates	7	10	14	15	11	19	21	15	13	21	16	20	19
Good investment	6	7	10	6	7	9	9	9	10	8	7	7	9
Times are good; prosperity	4	4	5	5	6	5	4	4	3	3	4	5	2
BAD TIME TO BUY:													
Prices are high	11	10	10	11	13	13	11	18	15	14	14	13	16
Interest rates are high; credit is tight	9	10	12	10	11	14	14	16	12	18	16	12	24
Lack of purchasing power	11	12	9	7	6	7	6	8	9	9	9	9	10
Times are bad; can't afford to buy	8	8	6	4	4	4	4	5	6	3	5	6	7
Bad times ahead; uncertain future	3	4	3	3	2	3	2	3	3	5	4	3	3

Responses to the query: "Why do you say so?" following the question on Table 23.

+ : May add to more than 100% due to multiple mentions.

CHART 24C - HISTORICAL SERIES
REASONS FOR OPINIONS ABOUT BUYING CONDITIONS FOR HOUSES

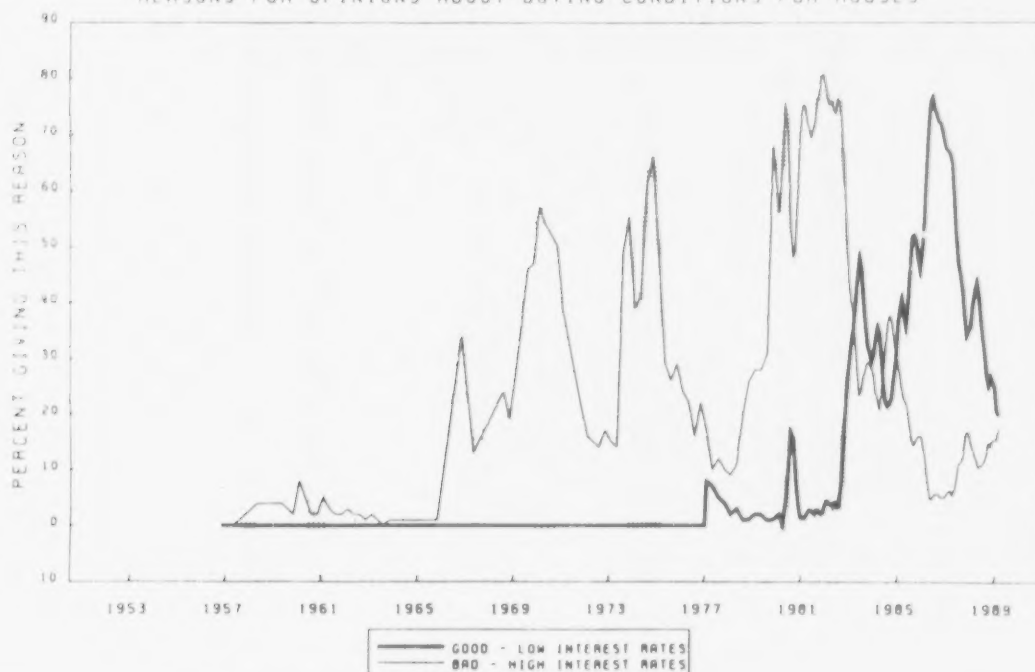


CHART 25 - RECENT CHANGES
BUYING CONDITIONS FOR CARS



CHART 25 - HISTORICAL SERIES
BUYING CONDITIONS FOR CARS



TABLE 25
BUYING CONDITIONS FOR CARS

	Mar. 1988	Apr. 1988	May 1988	June 1988	July 1988	Aug. 1988	Sept 1988	Oct. 1988	Nov. 1988	Dec. 1988	Jan. 1989	Feb. 1989	Mar. 1989
GOOD TIME TO BUY	62%	63%	64%	62%	62%	62%	61%	60%	61%	61%	62%	61%	61%
UNCERTAIN; DEPENDS	8	12	10	11	10	12	13	12	9	10	11	11	8
BAD TIME TO BUY	30	25	26	27	28	26	26	28	30	29	27	28	31
TOTAL	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%
CASES	500	504	500	500	501	500	500	501	508	500	501	500	502

The question was: "Speaking now of the automobile market--do you think the next 12 months or so will be a good time or a bad time to buy a car?"

CHART 26A - HISTORICAL SERIES
REASONS FOR OPINIONS ABOUT BUYING CONDITIONS FOR CARS

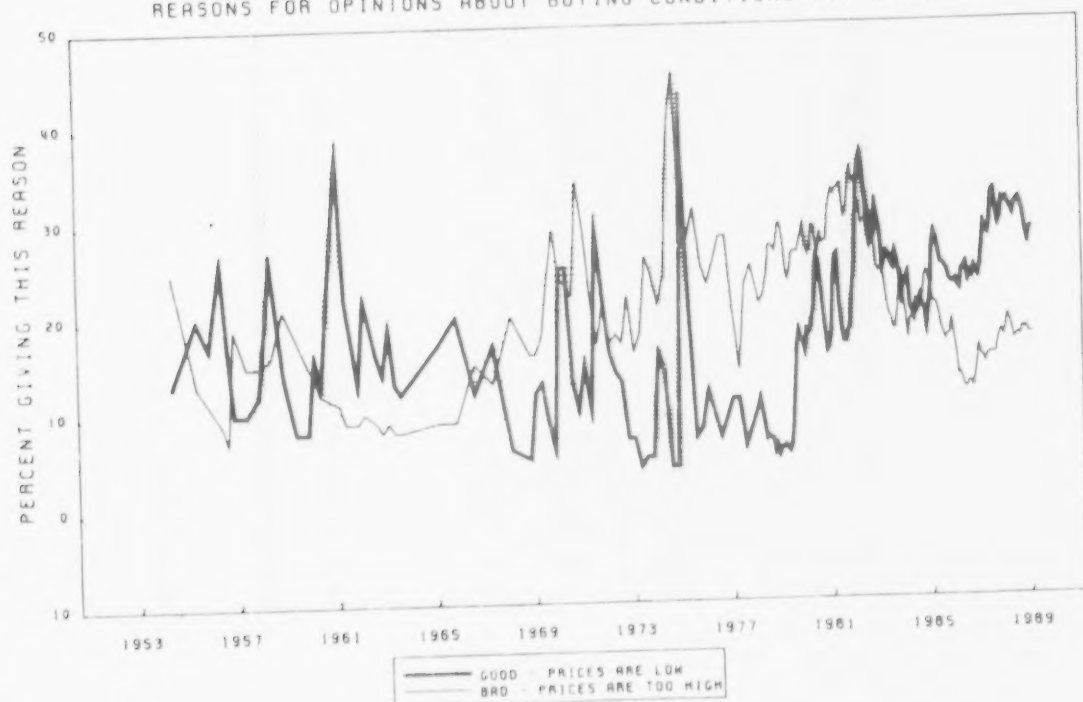


CHART 26B - HISTORICAL SERIES
REASONS FOR OPINIONS ABOUT BUYING CONDITIONS FOR CARS

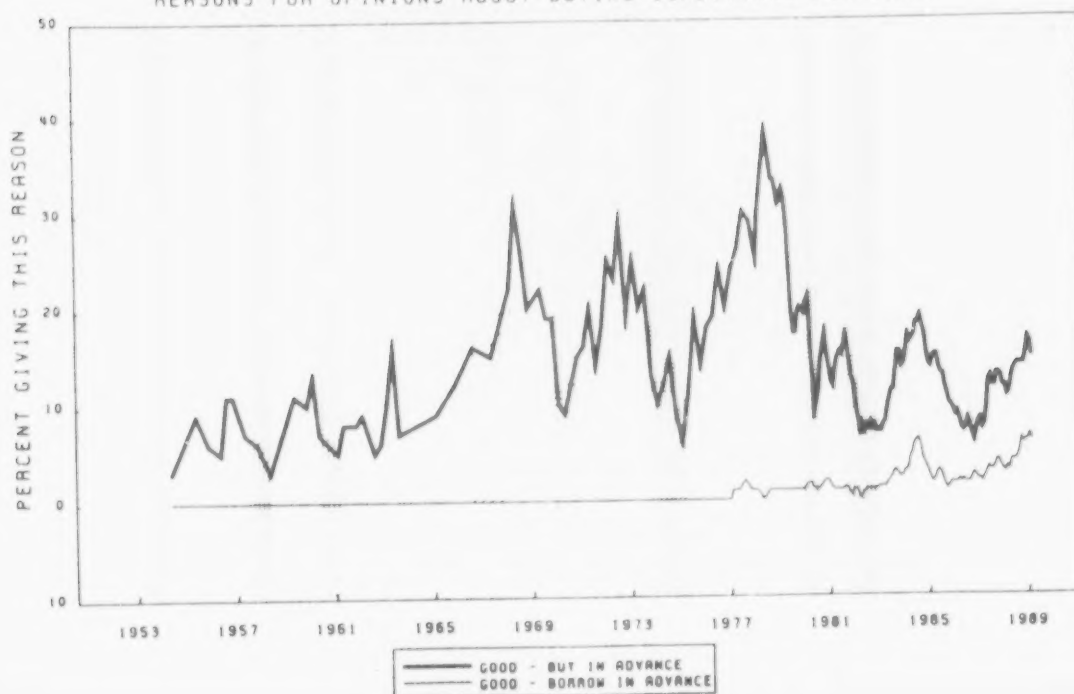


TABLE 26

SELECTED REASONS FOR OPINIONS ABOUT BUYING CONDITIONS FOR CARS +

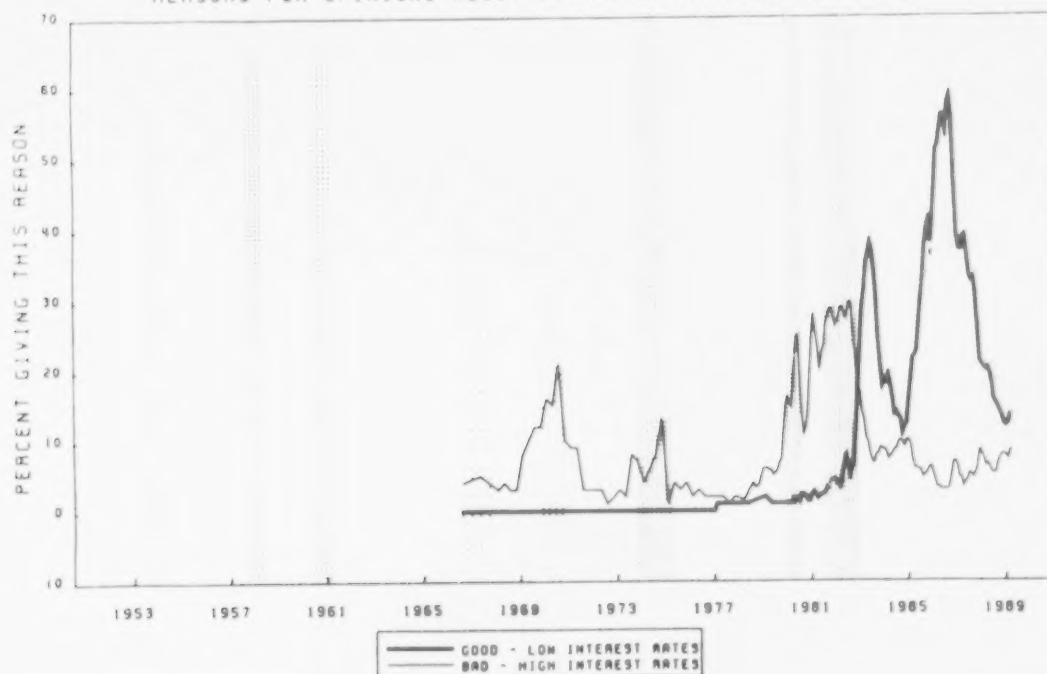
	Mar. 1988	Apr. 1988	May 1988	June 1988	July 1988	Aug. 1988	Sept. 1988	Oct. 1988	Nov. 1988	Dec. 1988	Jan. 1989	Feb. 1989	Mar. 1989
GOOD TIME TO BUY:													
Prices are low; good buys available	32%	30%	29%	30%	33%	30%	31%	31%	27%	26%	28%	30%	27%
Prices won't come down; are going higher	11	12	14	14	13	15	14	13	15	17	18	14	12
Interest rates are low	20	21	17	16	14	16	14	12	14	11	11	15	15
Borrow-in-advance of rising interest rates	4	3	5	4	3	6	6	7	4	7	7	6	5
Times are good; prosperity	4	3	4	3	5	4	4	4	4	4	5	4	3
BAD TIME TO BUY:													
Prices are high	21	15	17	18	16	18	17	19	17	18	17	17	18
Interest rates are high; credit is tight	6	6	6	4	6	6	9	8	7	9	7	6	13
Times are bad; can't afford to buy	3	5	3	1	3	4	2	3	2	4	2	4	2
Bad times ahead; uncertain future	2	2	2	2	2	2	2	1	2	3	1	1	2
Poor selection; quality	3	2	2	3	3	2	3	5	3	2	4	3	3

Responses to the query: "Why do you say so?" following the question on Table 25.

+ : May add to more than 100% due to multiple mentions.

* : Less than half of one percent.

CHART 26C - HISTORICAL SERIES
REASONS FOR OPINIONS ABOUT BUYING CONDITIONS FOR CARS



EXPLANATORY CHARTS

CHART 1 - RECENT CHANGES

THE INDEX OF CONSUMER SENTIMENT

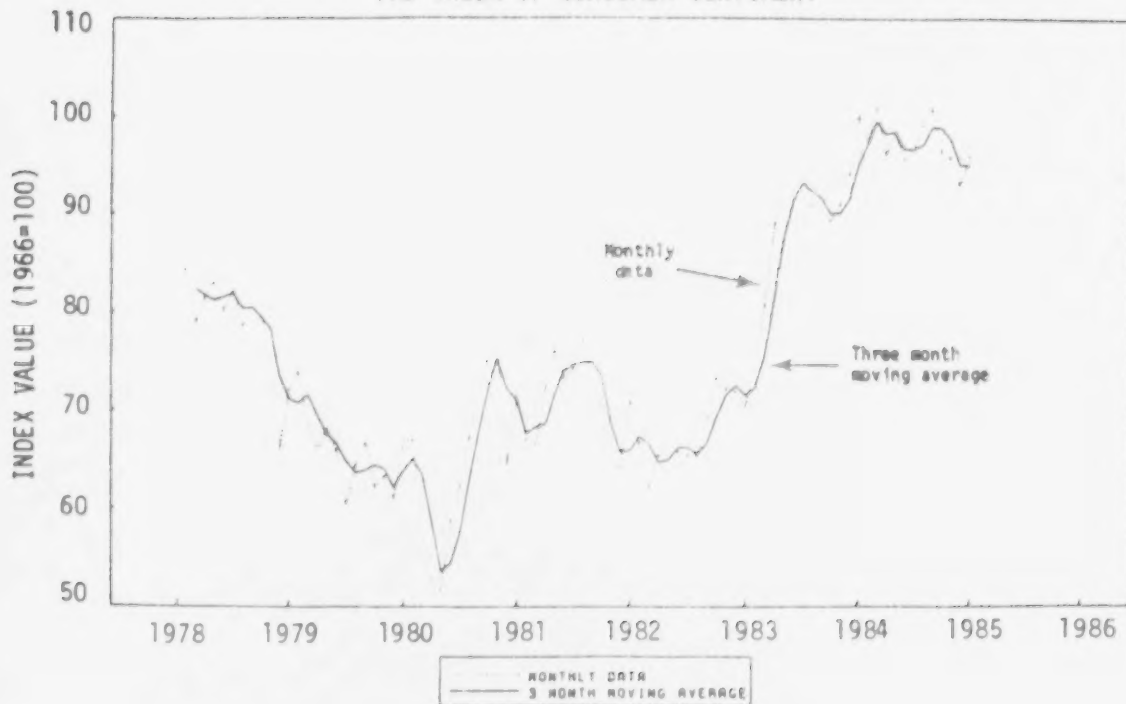
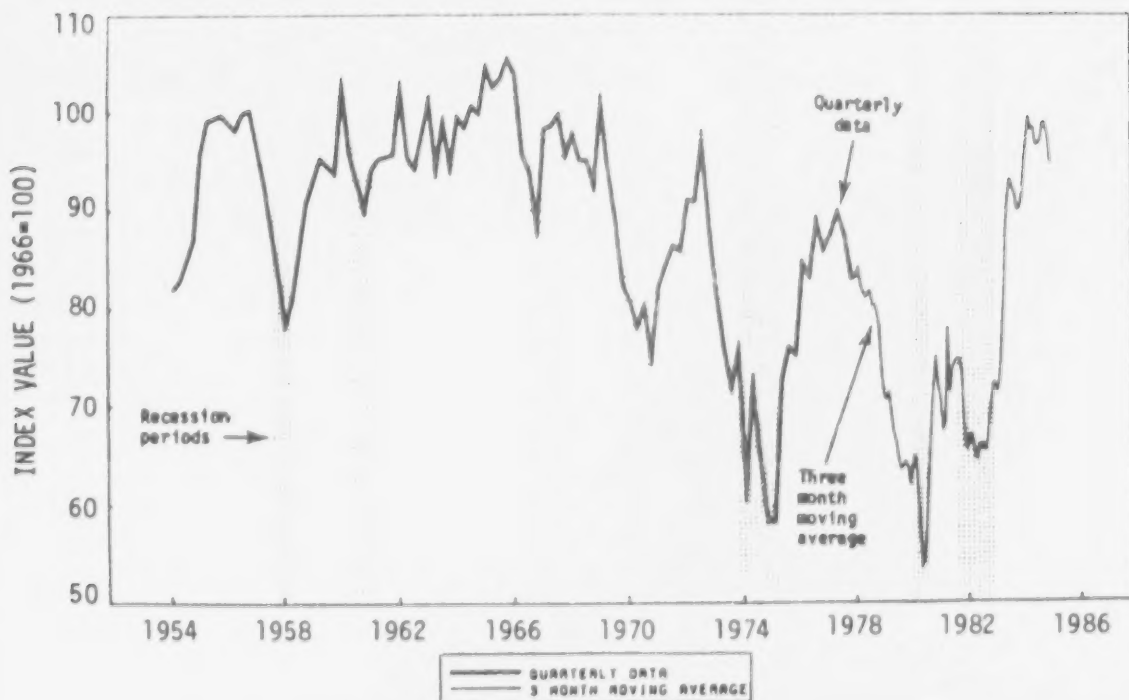


CHART 1 - HISTORICAL SERIES

THE INDEX OF CONSUMER SENTIMENT



DESCRIPTION OF CHART LINES

QUARTERLY DATA: Data collected by surveys conducted at three-month intervals before 1978.

MONTHLY DATA: Data collected by surveys conducted each month since January of 1978.

THREE-MONTH MOVING AVERAGE: Each point plotted represents the average of the three monthly observations ending at the date plotted.

TIME SCALE LABELS

Each tic mark on the time scale represents the month of January for the indicated year.

NATIONAL BUREAU OF ECONOMIC RESEARCH, REFERENCE DATES FOR RECESSIONS

DATES:	November 1948	-	October 1949
	July 1953	-	May 1954
	August 1957	-	April 1958
	April 1960	-	February 1961
	June 1966	-	November 1967*
	December 1969	-	November 1970
	November 1973	-	March 1975
	January 1980	-	July 1980
	July 1981	-	November 1982

Notes:

RECESSION PERIOD: Reduction in the national output of goods and services, generally lasting at least two quarters.

*GROWTH RECESSION: Retardation in the rate of growth of output and employment (usually followed by a recession and always the initial stage of a recession).

APPROXIMATE SAMPLING ERRORS^a OF SURVEY FINDINGS
(In percentages by size of sample or subgroup)

Reported Percentages	Number of Interviews					
	500	700	1000	1400	2000	3000
50	4.9	4.2	3.6	3.2	2.8	2.5
30 or 70	4.5	3.8	3.3	2.9	2.5	2.3
20 or 80	3.9	3.4	2.9	2.6	2.2	2.0
10 or 90	2.9	2.5	2.2	1.9	1.7	1.5
5 or 95	2.1	1.8	1.6	1.4	1.2	1.1

^aThe figures in this table represent two standard errors. Hence, for most items the chances are 95 in 100 that the value being estimated lies within a range equal to the reported percentages, plus or minus the sampling error.



Surveys of Consumers



Richard T. Curtin, *Director*

Consumer Confidence Cools: When Bad News Is Good

Index Continues to Slip

The Index of Consumer Sentiment was 91.5 in the April 1989 survey, down from 94.3 in March. This marks the third consecutive monthly decline, reversing the entire 6 Index-point gain recorded in January. While this represents a significant loss from the 97.9 recorded in January, the April 1989 figure remains comparable to the 91.9 recorded in December and the 91.2 recorded in April 1988.

While the recent decline in consumer confidence has been modest, it has eased demand pressures on the economy. Rising interest rates have made consumers much more cautious in their spending plans, but thus far those increases have not caused consumers to become pessimistic about their own financial prospects or those for the economy as a whole. In this manner, the downward drift in consumer confidence will reduce the need for further interest rate increases, and help extend the length of the current expansion.

Among families with incomes of \$30,000 or more, the Index slipped to 99.8 in April 1989, barely below the 100.0 recorded in March, but significantly below the 106.8 recorded at the start of the year.

Leading Indicator Falls

The entire loss recorded in the April survey was in the expectations component of the Index, not in evaluations of current economic conditions. The Index of Consumer Expectations, the component of the Leading Indicators Index, fell to 83.2 in April from 87.6 in March and 89.9 at the start of the year. The largest declines in the April survey were recorded in prospects for the general economy. Personal financial expectations for the year ahead remained largely unchanged.

In contrast, the Current Conditions Index was 104.4 in April, barely below the 104.8 recorded in March. Evaluations of buying conditions for large household durables posted a slight gain, and was offset by a slight loss in consumers' evaluations of their current financial situation.

Prospects for Economy Soften

Consumers' evaluations of the current state of overall business conditions have declined since the start of the year. In the April 1989 survey, 41 percent thought that current economic conditions had improved over those of a year earlier, down from 47 percent in March and 53 percent in January. At present, the proportion of families who thought business conditions had improved during

the past year was barely higher than those who thought they had worsened (41 versus 39 percent).

The majority of families in the April 1989 survey (57 percent) expected business conditions in the country as a whole to remain largely unchanged during the year ahead. Among those that expected change, opinions were nearly equally divided between those that expected improvements and those that expected declines (20 versus 21 percent).

For the country as a whole, good times financially were expected by 49 percent of all families in the April 1989 survey, although significantly below the 55 percent recorded one month earlier, it was only marginally below the 50 percent recorded a year earlier.

Prospects for the economy over the longer term also declined in the April 1989 survey. Like the short term outlook, the recent decline has returned longer term prospects to a level comparable to the year earlier reading. Among all families in the April 1989 survey, 37 percent expected good times financially over the next five years, down from 40 percent in March, but just above the 36 percent recorded in April 1988 survey. At present, more families expected bad rather than good times financially over the longer term by the margin of 46 to 37 percent.

Low Unemployment Rate Remains Central Strength

The majority of families in the April 1989 survey (55 percent), expected the national unemployment rate to remain largely unchanged at its current low level during the year ahead. Given the current record low level of the national unemployment rate, this is certainly a positive expectation, and has helped to maintain expectations for personal finances at favorable levels.

On the margin, however, more families in the April 1989 survey expected the national unemployment rate to increase than to decline by the margin of

29 to 14 percent. Given the length of the current expansion and the current low unemployment rate, this expectation indicates that consumers think the unemployment rate has already reached its cyclical lowpoint.

Inflation Fears Ease

The annual rate of inflation expected by consumers eased to 5.0% in the April 1989 survey, down from 5.6% in March. The April decline returns inflation expectations to the level recorded at the beginning of the year. Although inflation expectations have eased from the drought induced increases recorded in mid 1988, they still remain above the prior trend—above the 4.5% recorded one year earlier and the 3.7% recorded two years earlier.

Interest Rates Increases Remain Top Concern

Interest rates were expected to increase by 75 percent of all families in the April 1989 survey, equal to the all-time record high first recorded in February 1989. Just 7 percent of all families expected interest rates to decline during the year ahead. Concerns with rising interest rates have not only made consumers more cautious about the use of credit, it has also increased the appeal of adding to savings and reserve funds.

Home Buying Attitudes Continue to Weaken

Rising mortgage interest rates continued to dampen favorable attitudes toward home buying conditions. In the April 1989 survey, 58 percent thought that home buying conditions were favorable, down from 60 percent one month earlier, 72 percent one year earlier, and 82 percent two years earlier. Home buying attitudes are now at their lowest level recorded during the last four years.

When asked to explain their opinions about buying conditions for homes, the proportion that

mentioned that mortgage interest rates were too high and a cause for postponement rose to 28 percent in April, up from 24 percent one month earlier and just 10 percent one year earlier.

Because further increases in mortgage rates are still expected, the negative impact of the recent increases continue to be partially offset by the view that it would be better to borrow in advance of those rising rates. Among all families in the April survey, 20 percent mentioned this rationale, unchanged from one and two months earlier, but twice the level recorded one year earlier.

Favorable references to the current level of mortgage rates fell to 16 percent in the April 1989 survey from 40 percent one year earlier.

Vehicle Buying Attitudes Helped by Discounts

Unlike buying conditions for homes, vehicle manufacturers have been able to shield new vehicle sales from the adverse impact of increases in market interest rates. The recent round of discounts offered by vehicle manufacturers has improved buying attitudes. Among all families in the April 1989 survey, 65 percent held favorable vehicle buying attitudes, up from the 61 percent recorded in the prior two months.

Compared with a month earlier, more families mentioned the availability of interest rate discounts in the April survey (25, up from 15 percent), and more families mentioned the availability of price discounts (32, up from 27 percent).

Personal Finances

An improved financial situation was reported by 42 percent of all families in the April 1989 survey, unchanged from one month and one year earlier. The change that has occurred during the past year has been a small increase in the proportion of families that thought their financial situation had worsened, while fewer families judged their

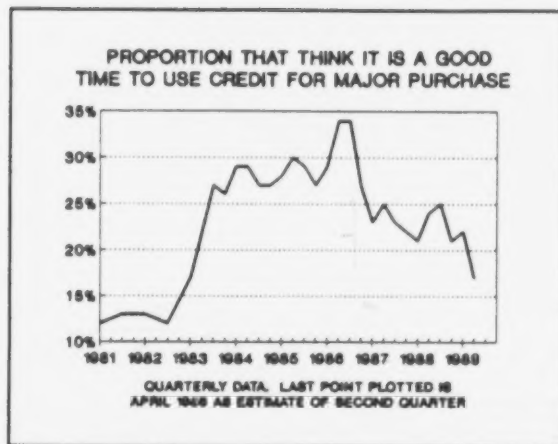
finances to have remained unchanged. The proportion of consumers that thought their current financial situation had worsened rose to 29 percent in April 1989, above the 26 percent recorded one month earlier and the 24 percent recorded one year earlier.

The maintenance of positive assessments of their current financial situation has been due to continued widespread reports of income gains; rising prices, however, have eroded some of these gains. Compared with a year earlier, more families reported income gains in April 1989 (36 versus 30 percent), but more families also reported declines in the purchasing power of their incomes due to rising prices (16 versus 9 percent).

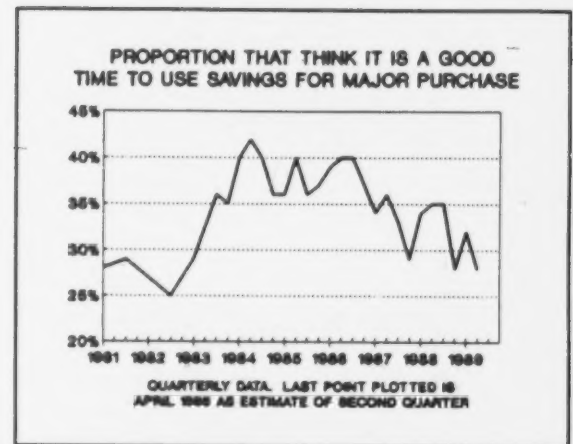
Despite these rising concerns with the impact of inflation on family budgets, consumers continue to view prospects for the year ahead in favorable terms. Among all families in the April 1989 survey, 41 percent expected their financial situation to improve during the year ahead, up from 40 percent in March and 34 percent in April 1988. Indeed, whereas consumer evaluations of their current financial situation are now at the lower end of the horizontal zig-zag path traced during this long expansion, financial expectations remain at the upper end.

Cautious Spending Plans

When asked whether they were reluctant to take on new debt or use accumulated savings to make large purchases, consumers have indicated a consistent rise in cautious spending plans during the past few years (see the Figures on the next page). Among all families in the April 1989 survey, 17 percent reported that they were not reluctant to buy on credit, down from 22 percent in March, and only half the level recorded at the 1986 peak.



Willingness to use some of their accumulated savings in order to make a large purchase has also declined. In the April 1989 survey, 28 percent reported that they were not reluctant to use savings to make major purchases, down from 32 percent in March, and 40 percent in 1986.



Why the greater caution in spending plans given the maintenance of favorable personal financial prospects? Rising interest rates have meant that debt has become less attractive and savings more attractive. The rate of savings out of disposable income has increased in recent months, rising to just over 6% in March.

★ ★ ★

The April 1989 survey included 500 completed interviews conducted between April 1 and April 28, 1989.



SURVEYS OF CONSUMERS

APRIL 1989

The April 1989 survey was the 249th in a series of Surveys of Consumers conducted by the Survey Research Center at The University of Michigan. Initiated in 1946, these periodic surveys provide regular assessments of consumer attitudes and expectations, and are used to evaluate economic trends and prospects. The surveys are designed to explore why changes in consumer attitudes and expectations occur, and how these changes influence consumer spending and saving decisions.

All surveys are subject to sampling error because not all members of the population are interviewed. Most results for the total sample will differ by no more than 5 percentage points in either direction from what would have been obtained by using the same methods on the entire population. See the back of this book for sampling error information.

While every effort is made to accurately measure consumer attitudes and expectations, factors other than sampling may also affect the accuracy of these (and other) findings. These factors may include effects of the question wording, the ability of respondents to articulate answers and opinions, refusal to participate in the survey, and incomplete coverage of the population. There are no standard measures of these effects, but their presence should be acknowledged when using these and all other survey data. While measurement effects are present in all surveys, a noted advantage of time-series data is that the non-sampling influences remain relatively constant across samples.

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CHART 1 - HISTORICAL SERIES
THE INDEX OF CONSUMER SENTIMENT

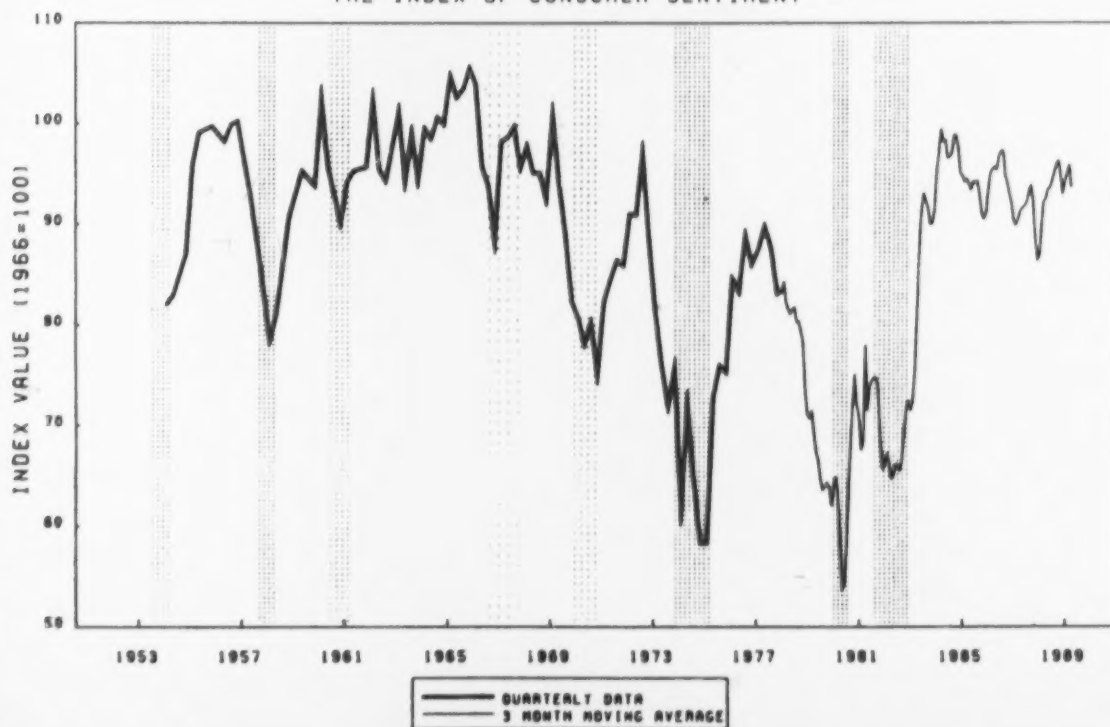


TABLE 1

THE INDEX OF CONSUMER SENTIMENT

DATE OF SURVEY		All families	Families with incomes over \$30,000	Families with incomes over \$40,000
April	1986	96.2	106.9	111.0
May	1986	94.8	105.5	109.9
June	1986	99.3	110.6	112.4
July	1986	97.7	109.6	108.5
August	1986	94.9	105.0	106.6
September	1986	91.9	99.5	102.1
October	1986	95.6	102.8	105.5
November	1986	91.4	97.5	98.7
December	1986	89.1	98.7	98.3
January	1987	90.4	101.2	104.0
February	1987	90.2	103.6	103.6
March	1987	90.8	97.8	96.1
April	1987	92.8	98.5	103.1
May	1987	91.1	97.7	99.2
June	1987	91.5	102.9	102.9
July	1987	93.7	102.5	104.0
August	1987	94.4	104.4	109.1
September	1987	93.6	100.6	104.3
October	1987	89.3	99.9	101.8
November	1987	83.1	87.7	90.5
December	1987	86.8	94.5	96.1
January	1988	90.8	99.0	99.9
February	1988	91.6	98.1	100.8
March	1988	94.6	103.7	104.6
April	1988	91.2	99.1	99.6
May	1988	94.8	106.6	108.3
June	1988	94.7	102.3	102.7
July	1988	93.4	100.5	103.9
August	1988	97.4	105.1	104.2
September	1988	97.3	102.8	105.4
October	1988	94.1	103.0	103.7
November	1988	93.0	102.0	101.0
December	1988	91.9	97.0	99.5
January	1989	97.9	108.4	106.8
February	1989	95.4	104.6	109.6
March	1989	94.3	98.6	100.0
April	1989	91.5	99.1	99.8

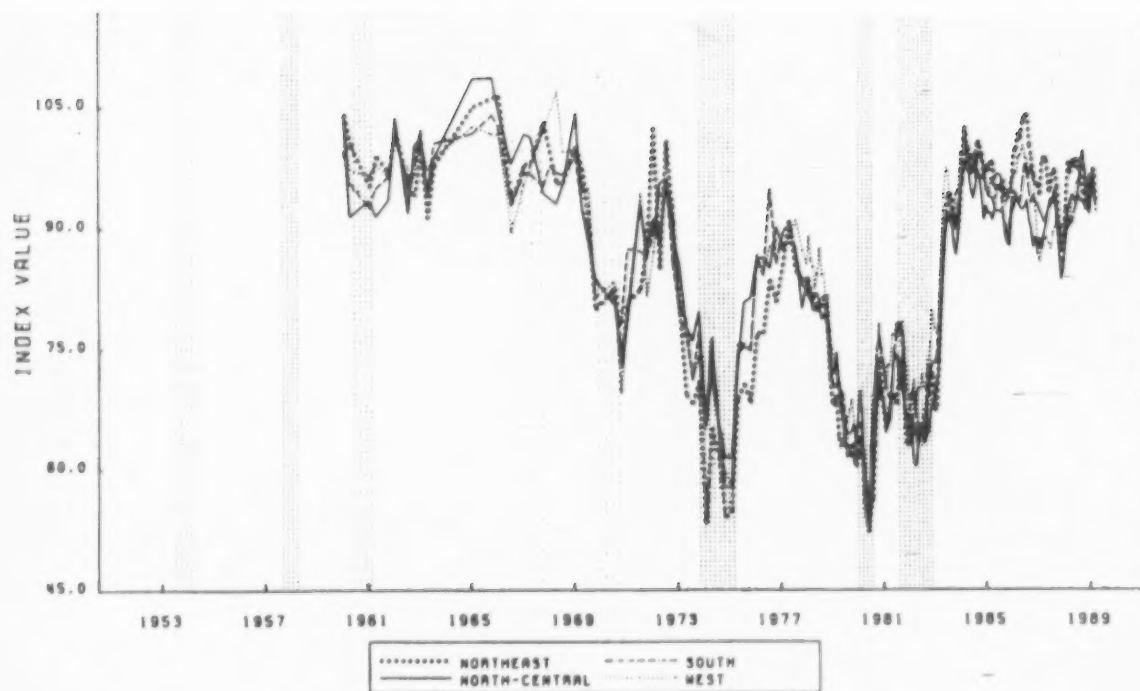


CHART 2B - HISTORICAL SERIES
INDEX OF CONSUMER SENTIMENT WITHIN AGE SUBGROUPS

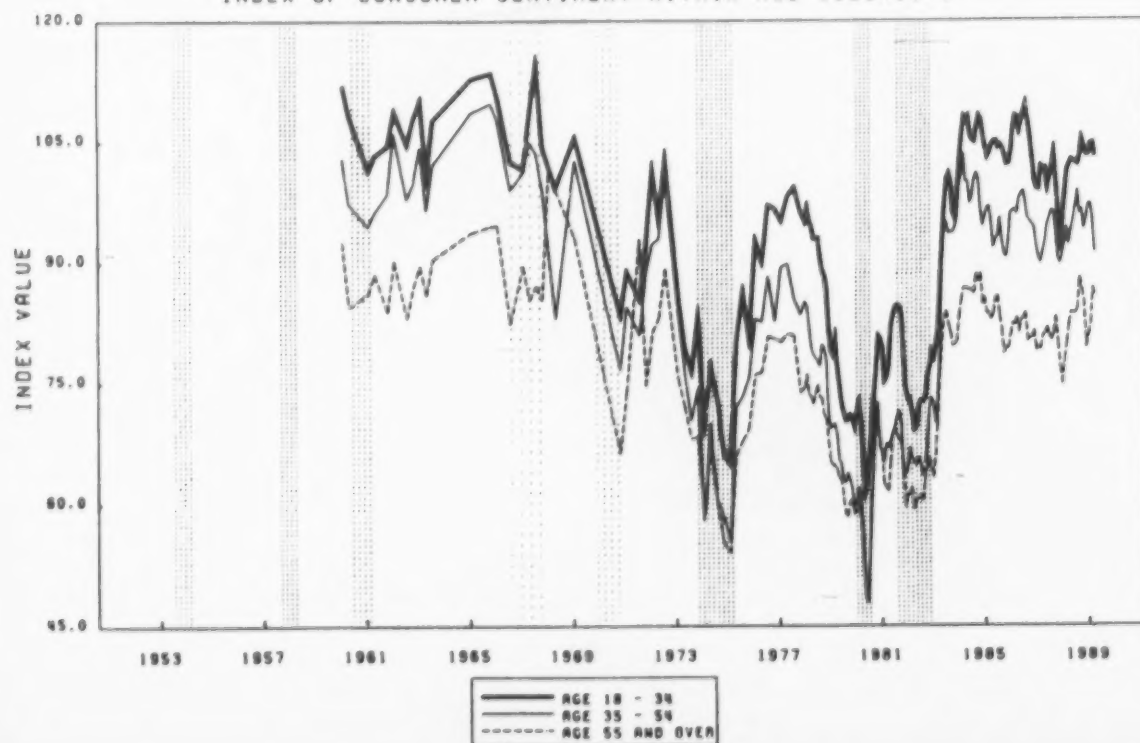


TABLE 2

INDEX OF CONSUMER SENTIMENT WITHIN REGION AND AGE SUBGROUPS

DATE OF SURVEY	CENSUS REGION				AGE OF RESPONDENT		
	North East	North Central	South	West	18-34	35-54	55+
April 1986	102.7	92.3	94.4	99.5	104.8	97.8	83.6
May 1986	101.2	90.1	93.5	98.8	104.9	99.9	78.3
June 1986	106.2	94.1	98.5	102.7	112.7	97.9	86.6
July 1986	103.9	93.4	101.7	94.7	108.2	98.6	84.5
August 1986	102.5	92.6	90.5	98.2	107.9	95.2	80.1
September 1986	94.6	87.0	91.9	95.8	106.3	92.4	76.1
October 1986	99.1	90.0	96.5	99.3	102.5	97.3	85.7
November 1986	95.8	85.6	93.2	92.3	99.5	94.2	80.4
December 1986	91.8	90.4	89.5	84.0	98.0	91.3	78.3
January 1987	98.1	85.9	96.0	83.9	99.9	91.2	78.4
February 1987	92.4	89.5	90.7	89.2	99.1	89.2	81.5
March 1987	104.6	86.3	87.5	91.2	106.4	89.3	77.7
April 1987	99.4	91.7	93.7	87.2	99.0	95.1	83.5
May 1987	91.3	92.9	92.1	87.1	99.5	92.8	82.1
June 1987	92.5	92.2	91.5	89.7	99.0	95.5	80.0
July 1987	100.1	95.7	93.8	85.2	103.0	97.8	80.2
August 1987	99.0	91.0	95.2	93.2	103.3	95.8	80.8
September 1987	92.2	94.7	94.9	91.5	104.1	95.4	82.6
October 1987	93.8	87.2	88.3	89.1	92.0	89.9	86.2
November 1987	83.9	79.6	87.9	79.4	91.7	86.6	70.8
December 1987	83.4	83.6	90.4	89.2	94.1	92.9	73.6
January 1988	99.8	91.3	87.6	88.5	98.3	93.6	80.1
February 1988	93.7	92.1	92.8	86.3	102.5	90.3	79.9
March 1988	101.2	92.9	91.6	95.3	103.5	98.9	80.0
April 1988	94.9	93.9	88.6	89.0	100.0	87.5	86.6
May 1988	99.1	95.5	91.1	97.3	104.2	95.4	84.7
June 1988	98.1	91.2	95.9	95.2	103.1	102.0	79.5
July 1988	98.3	92.0	91.8	94.0	99.6	93.0	86.6
August 1988	95.7	100.9	94.4	98.5	103.6	101.7	86.3
September 1988	95.2	101.9	93.3	97.6	106.1	93.3	91.4
October 1988	91.8	96.1	92.9	96.6	105.8	94.6	82.0
November 1988	95.8	90.6	90.5	98.9	100.4	94.3	82.2
December 1988	90.8	90.2	96.1	88.0	103.7	97.1	73.9
January 1989	96.9	94.2	99.9	102.2	105.8	100.3	86.7
February 1989	103.5	99.2	88.8	93.6	104.3	94.2	86.7
March 1989	91.5	95.8	96.1	92.2	103.9	91.8	87.0
April 1989	83.9	94.6	93.4	90.3	101.0	87.5	83.8

CHART 3 - RECENT CHANGES
CURRENT AND EXPECTED COMPONENTS

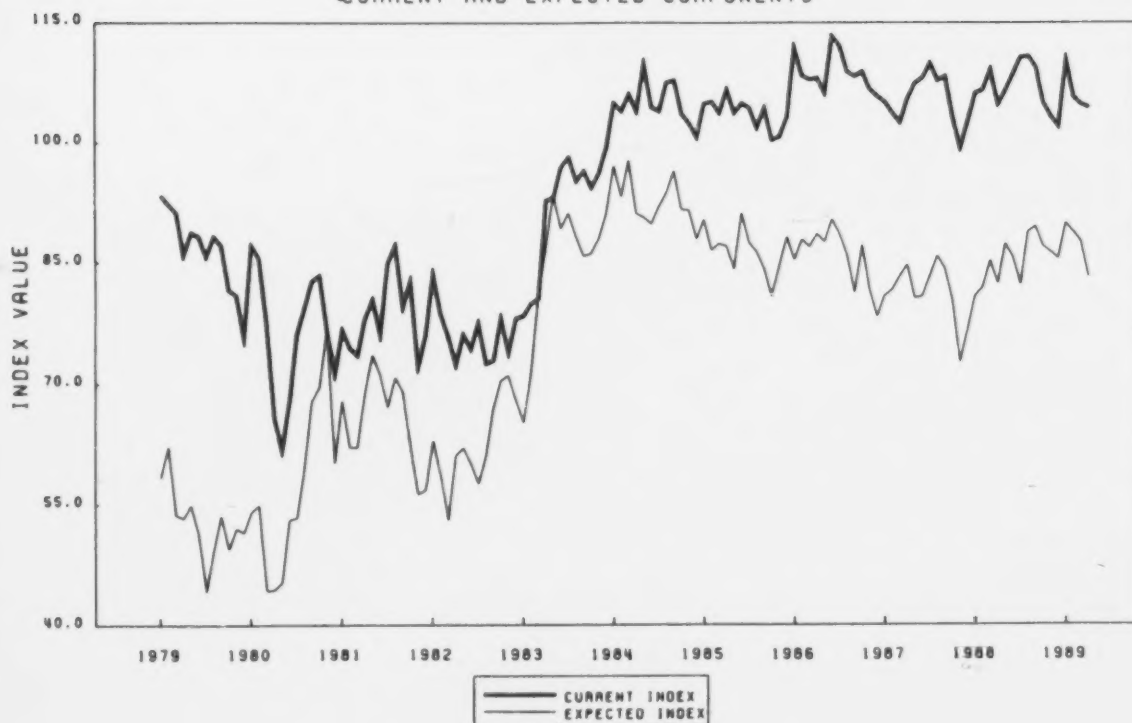


CHART 3 - HISTORICAL SERIES
CURRENT AND EXPECTED COMPONENTS

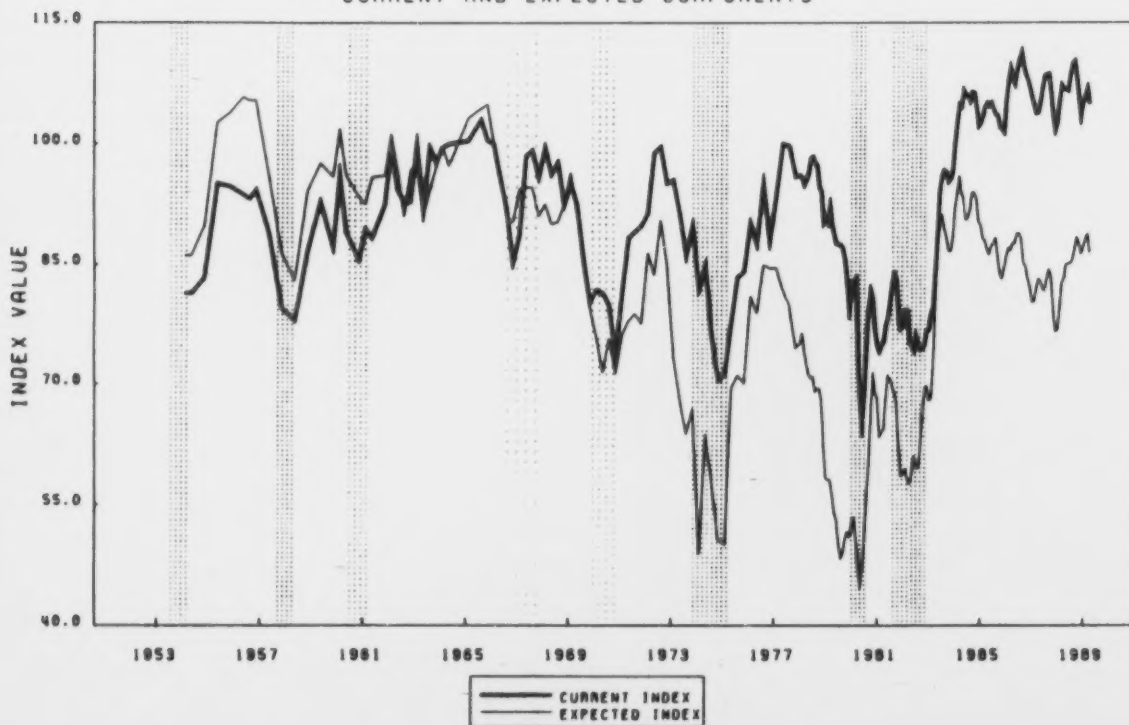


TABLE 3
COMPONENTS OF THE INDEX OF CONSUMER SENTIMENT

DATE OF SURVEY		INDEX COMPONENTS +						Current Index	Expected Index
		Personal finances		Business conditions		Buying conds.			
		Current	Expected	12 months	5 years				
		(1)	(2)	(3)	(4)				
		(5)	(1,5)	(2,3,4)					
April	1986	120	128	133	94	160	108.1	88.5	
May	1986	117	129	131	92	158	106.2	87.5	
June	1986	124	127	136	100	170	113.3	90.3	
July	1986	126	130	131	94	165	112.1	88.5	
August	1986	121	128	123	94	161	108.9	85.9	
September	1986	120	127	115	84	161	108.3	81.3	
October	1986	120	127	124	99	162	108.9	87.1	
November	1986	121	121	120	87	155	106.7	81.6	
December	1986	116	127	104	83	158	105.8	78.3	
January	1987	120	130	117	77	152	105.1	80.9	
February	1987	115	126	117	84	153	103.7	81.6	
March	1987	114	122	121	92	152	102.5	83.3	
April	1987	116	127	116	97	158	105.5	84.7	
May	1987	117	121	114	89	161	107.4	80.6	
June	1987	120	122	113	89	161	108.1	80.8	
July	1987	123	123	118	94	162	109.9	83.3	
August	1987	122	127	125	93	157	107.8	85.8	
September	1987	119	124	122	92	162	108.3	84.2	
October	1987	118	128	105	90	149	103.1	80.4	
November	1987	115	118	93	80	142	99.3	72.7	
December	1987	119	120	98	89	147	102.7	76.7	
January	1988	122	131	110	84	154	106.2	80.9	
February	1988	122	130	108	90	155	106.6	81.9	
March	1988	127	133	114	96	156	109.1	85.2	
April	1988	117	125	117	89	154	104.8	82.4	
May	1988	111	127	125	98	165	106.5	87.3	
June	1988	119	129	121	95	163	108.6	85.7	
July	1988	120	128	106	96	167	110.7	82.3	
August	1988	127	127	125	105	160	110.8	88.8	
September	1988	127	133	125	102	157	109.4	89.5	
October	1988	114	124	129	97	158	105.0	87.0	
November	1988	112	128	122	97	156	103.3	86.3	
December	1988	114	127	119	98	150	102.0	85.5	
January	1989	121	131	128	103	165	110.3	89.9	
February	1989	120	130	128	99	154	105.7	88.8	
March	1989	116	131	123	98	156	104.8	87.6	
April	1989	113	130	113	91	158	104.4	83.2	

(1) See Table 4.

(2) See Table 6.

(3) See Table 15.

(4) See Table 16.

(5) See Table 21.

+ : Percent saying "GOOD TIMES" (or "BETTER"), minus percent saying "BAD TIMES" (or "WORSE"), plus 100.

CHART 4 - RECENT CHANGES
CURRENT FINANCIAL SITUATION COMPARED WITH A YEAR AGO



CHART 4 - HISTORICAL SERIES
CURRENT FINANCIAL SITUATION COMPARED WITH A YEAR AGO

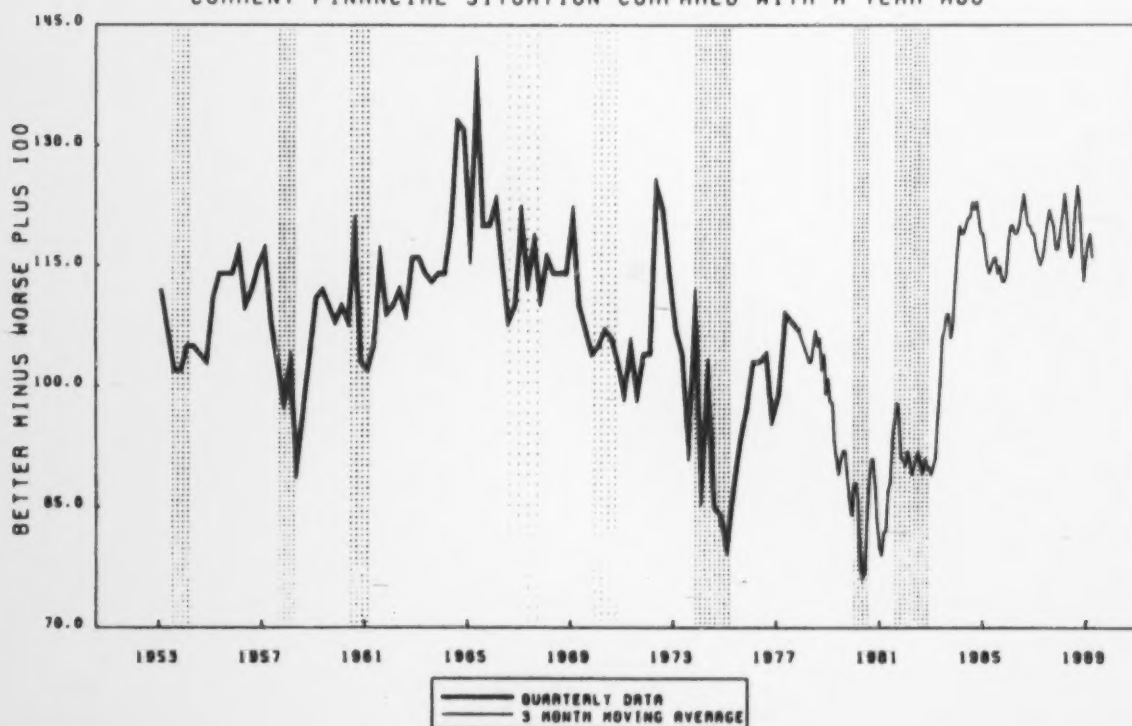


TABLE 4

CURRENT FINANCIAL SITUATION COMPARED TO A YEAR AGO

	Apr. 1988	May 1988	June 1988	July 1988	Aug. 1988	Sept 1988	Oct. 1988	Nov. 1988	Dec. 1988	Jan. 1989	Feb. 1989	Mar. 1989	Apr. 1989
BETTER OFF	41%	40%	43%	45%	50%	49%	42%	41%	39%	44%	44%	42%	42%
SAME	34	31	32	29	26	28	30	30	36	33	31	32	29
WORSE OFF	24	29	24	25	23	22	28	29	25	23	24	26	29
DK,NA	1	*	1	1	1	1	*	*	*	*	1	*	*
TOTAL	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%
CASES	504	500	500	501	500	500	501	508	500	501	500	502	500

The question was: "We are interested in how people are getting along financially these days. Would you say that you (and your family living there) are better off or worse off financially than you were a year ago?"

* : Less than half of one percent.

CHART 5A - HISTORICAL SERIES
REASONS FOR OPINIONS ABOUT PERSONAL FINANCIAL SITUATION

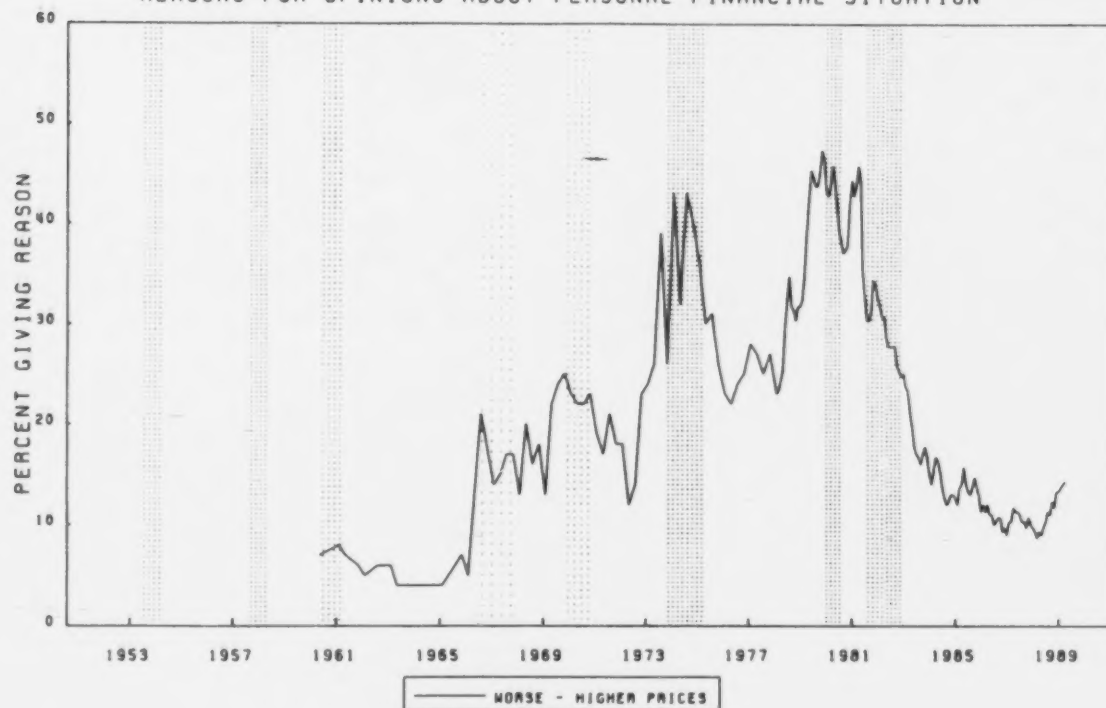


CHART 5B - HISTORICAL SERIES
REASONS FOR OPINIONS ABOUT PERSONAL FINANCIAL SITUATION

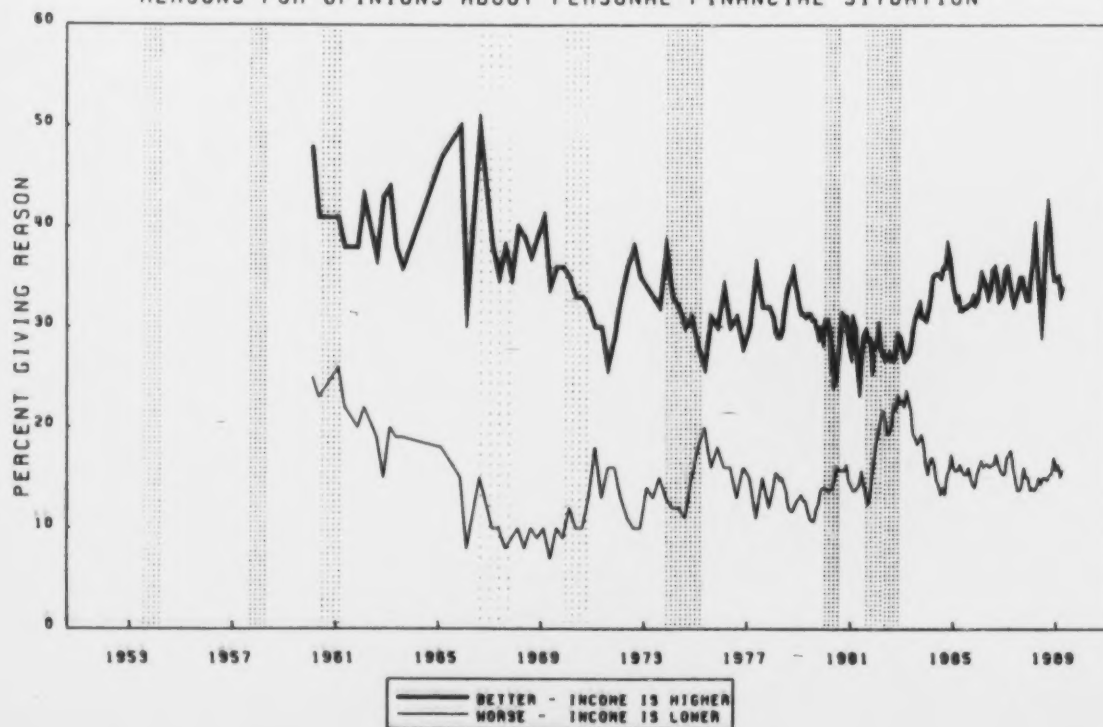


TABLE 5

SELECTED REASONS FOR OPINIONS ABOUT PERSONAL FINANCIAL SITUATION +

	Apr. 1988	May 1988	June 1988	July 1988	Aug. 1988	Sept 1988	Oct. 1988	Nov. 1988	Dec. 1988	Jan. 1989	Feb. 1989	Mar. 1989	Apr. 1989
BETTER OFF THAN YEAR AGO:													
Income is higher	30%	29%	32%	40%	45%	40%	34%	35%	35%	34%	36%	30%	36%
WORSE OFF THAN YEAR AGO:													
Income is lower	14	16	13	16	16	12	18	16	17	14	18	13	16
Higher prices	9	10	10	11	13	9	15	11	14	15	12	15	16

Responses to the query: "Why do you say so?" following the question on Table 4.

+ : May add to more than 100% due to multiple mentions.

CHART 6 - RECENT CHANGES
EXPECTED CHANGE IN FINANCIAL SITUATION

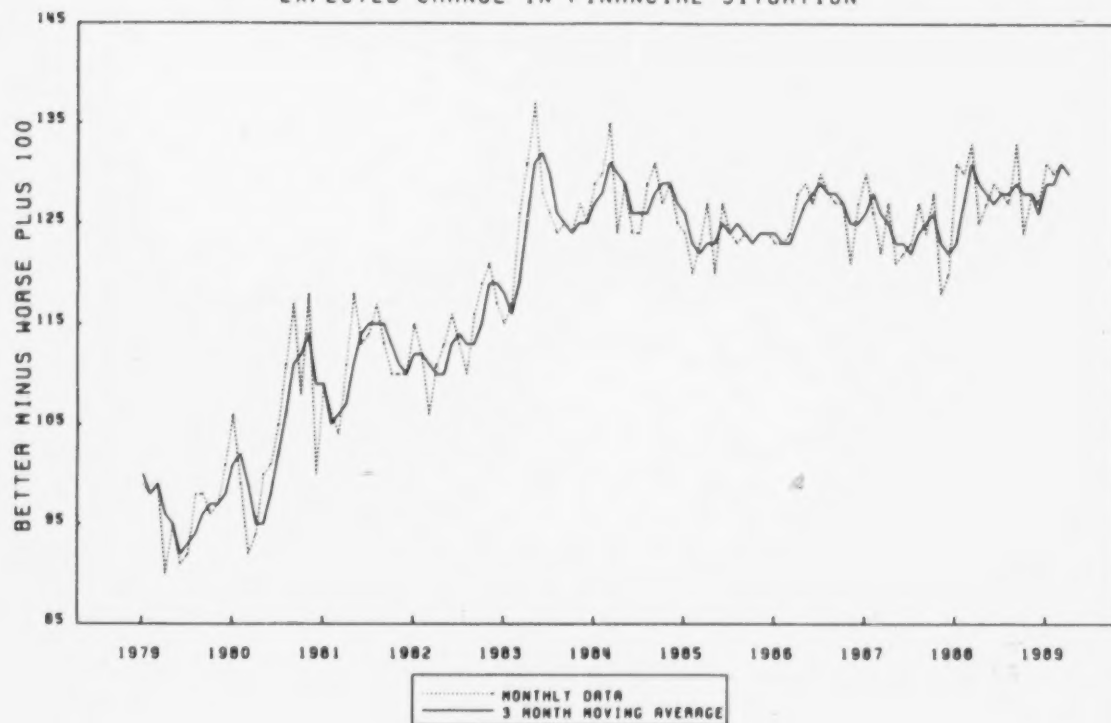


CHART 6 - HISTORICAL SERIES
EXPECTED CHANGE IN FINANCIAL SITUATION

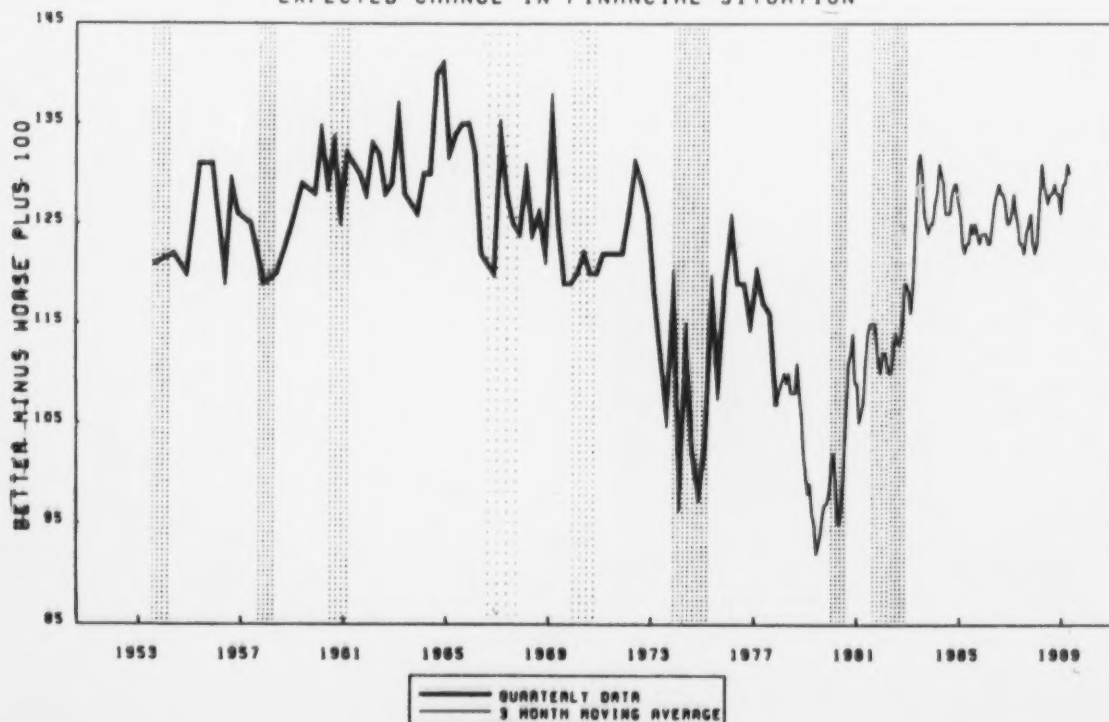


TABLE 6
EXPECTED CHANGE IN FINANCIAL SITUATION

	Apr. 1988	May 1988	June 1988	July 1988	Aug. 1988	Sept 1988	Oct. 1988	Nov. 1988	Dec. 1988	Jan. 1989	Feb. 1989	Mar. 1989	Apr. 1989
BETTER OFF	34%	36%	39%	38%	36%	41%	36%	37%	39%	41%	40%	40%	41%
SAME	54	52	48	48	49	47	48	49	46	47	46	49	46
WORSE OFF	9	9	10	10	9	8	12	9	12	10	10	9	11
DK,NA	3	3	3	4	6	4	4	5	3	2	4	2	2
TOTAL	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%
CASES	504	500	500	501	500	500	501	508	500	501	500	502	500

The question was: "Now looking ahead--do you think that a year from now you (and your family living there) will be better off financially, or worse off, or just about the same as now?"

CHART 7 - RECENT CHANGES
TREND IN PERSONAL FINANCIAL SITUATION



CHART 7 - HISTORICAL SERIES
TREND IN PERSONAL FINANCIAL SITUATION

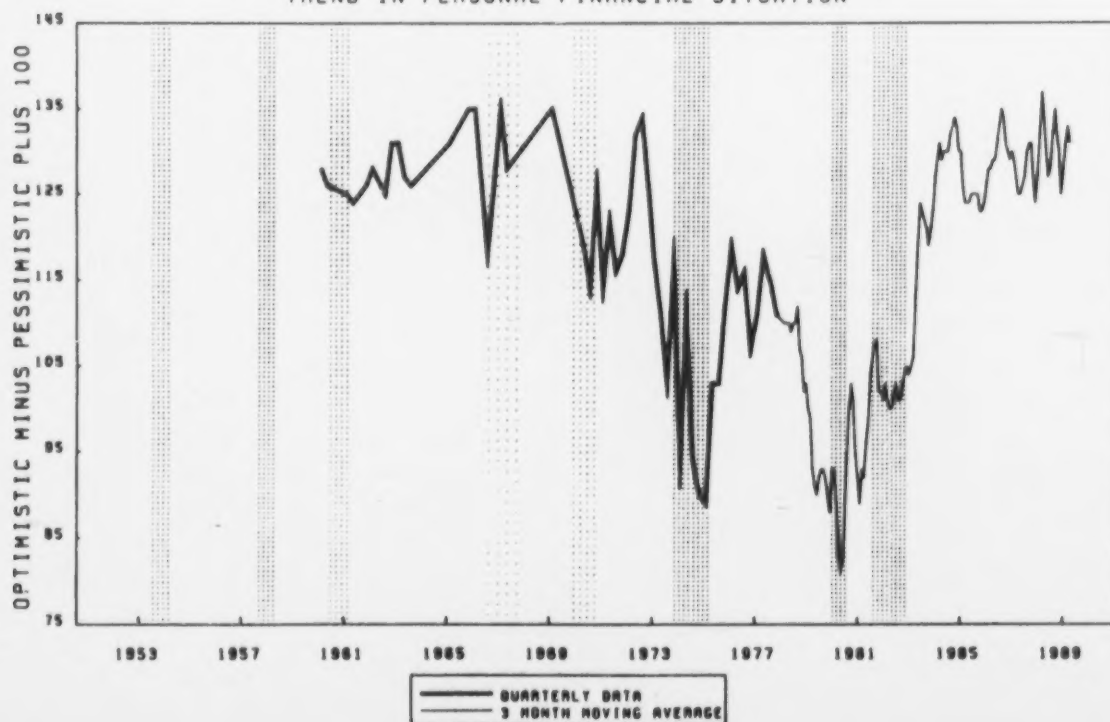


TABLE 7

TREND IN PERSONAL FINANCIAL SITUATION

	Apr. 1988	May 1988	June 1988	July 1988	Aug. 1988	Sept 1988	Oct. 1988	Nov. 1988	Dec. 1988	Jan. 1989	Feb. 1989	Mar. 1989	Apr. 1989
PERSONAL FINANCIAL PROGRESS:													
Continuous increase (a)	18%	19%	24%	19%	25%	25%	20%	21%	22%	23%	22%	20%	21%
Intermittant increase (b)	30	24	25	31	26	28	25	25	23	29	29	29	27
Remain unchanged (c)	20	21	19	16	16	17	18	18	20	18	17	18	17
Intermittant decline (d)	16	17	16	13	14	10	15	16	16	13	12	15	13
Continuous decline (e)	3	4	4	4	4	3	6	4	4	5	5	4	7
Mixed change (f)	9	13	9	13	8	12	11	11	11	10	11	12	13
DK,NA	4	2	3	4	7	5	5	5	4	2	4	2	2
TOTAL	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%
CASES	504	500	500	501	500	500	501	508	500	501	500	502	500

Combination of the responses to the questions on Tables 4 and 6.

Key: (a) Better off financially than a year ago/Better off a year from now
 (b) Better/Same or Same/Better
 (c) Same/Same
 (d) Worse/Same or Same/Worse
 (e) Worse/Worse
 (f) Worse/Better or Better/Worse

CHART 8 - RECENT CHANGES
 MEDIAN EXPECTED CHANGE IN FAMILY INCOME

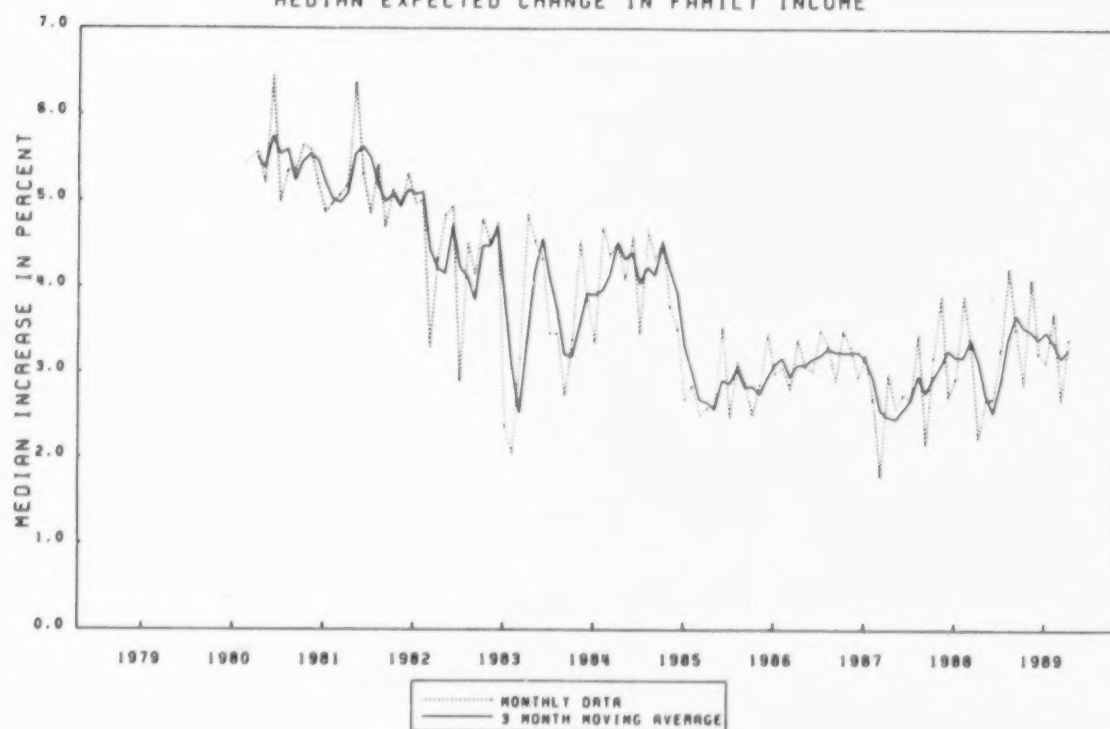


CHART 8 - HISTORICAL SERIES
 MEDIAN EXPECTED CHANGE IN FAMILY INCOME

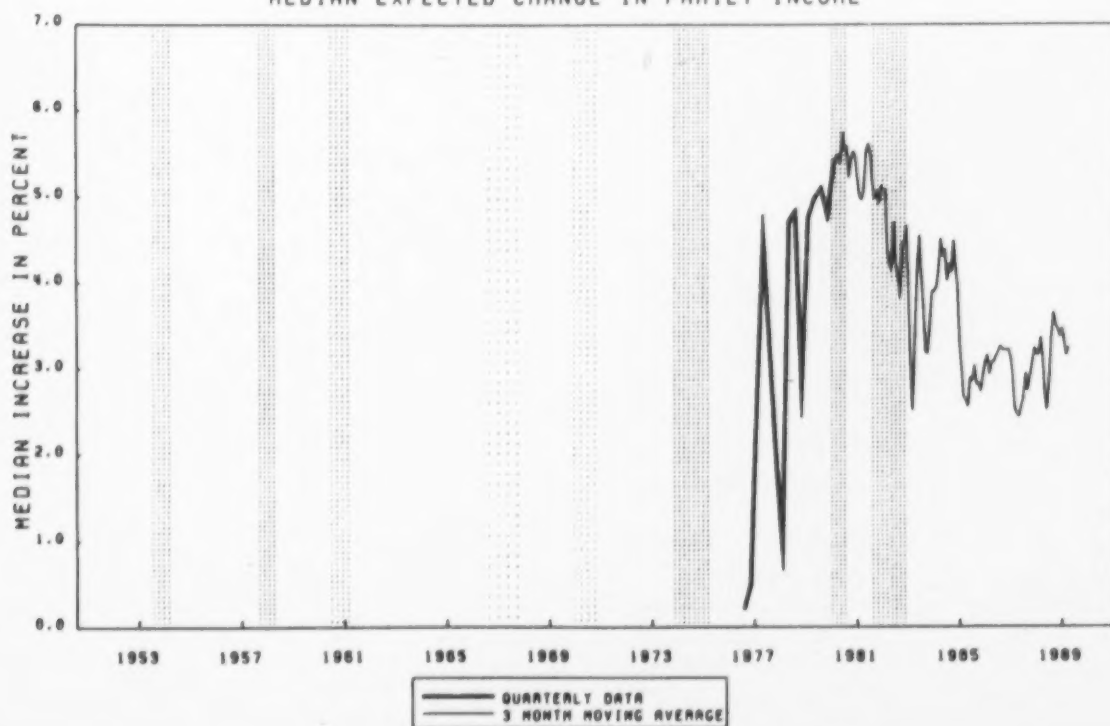


TABLE 8

EXPECTED FAMILY INCOME CHANGE DURING THE NEXT 12 MONTHS

	Apr. 1988	May 1988	June 1988	July 1988	Aug. 1988	Sept 1988	Oct. 1988	Nov. 1988	Dec. 1988	Jan. 1989	Feb. 1989	Mar. 1989	Apr. 1989
EXPECT INCREASE:													
1-4%	16%	15%	15%	18%	14%	16%	16%	18%	21%	15%	17%	16%	17%
5%	9	12	9	10	14	10	12	11	11	9	15	10	12
6-9%	6	7	7	10	9	8	6	9	7	10	7	7	7
10-24%	14	13	15	14	17	16	15	15	15	14	15	14	15
25% or more	6	9	6	7	5	8	6	7	6	8	7	7	7
DK how much up	6	2	5	5	6	6	5	7	4	4	5	5	5
EXPECT SAME	30	28	28	24	25	25	27	20	22	27	22	27	23
EXPECT DOWN	12	13	13	11	9	10	12	11	13	13	11	14	12
DK,NA	1	1	2	1	1	1	1	2	1	*	1	*	2
TOTAL	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%
CASES	504	500	500	501	500	500	501	508	500	501	500	502	500

The questions were: "During the next 12 months, do you expect your (family) income to be higher or lower than during the past year?" and "By about what percent do you expect your (family) income to increase during the next 12 months?"

* : Less than half of one percent.

CHART 9 - RECENT CHANGES
INCOME OR PRICES UP MORE NEXT YEAR

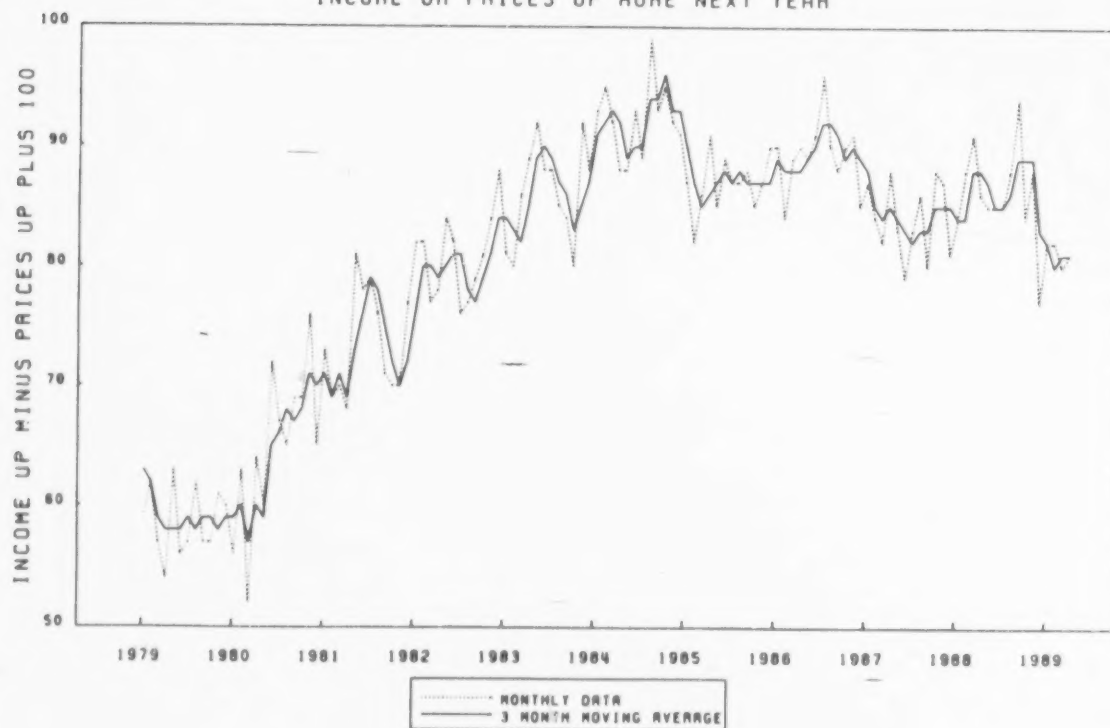


CHART 9 - HISTORICAL SERIES
INCOME OR PRICES UP MORE NEXT YEAR

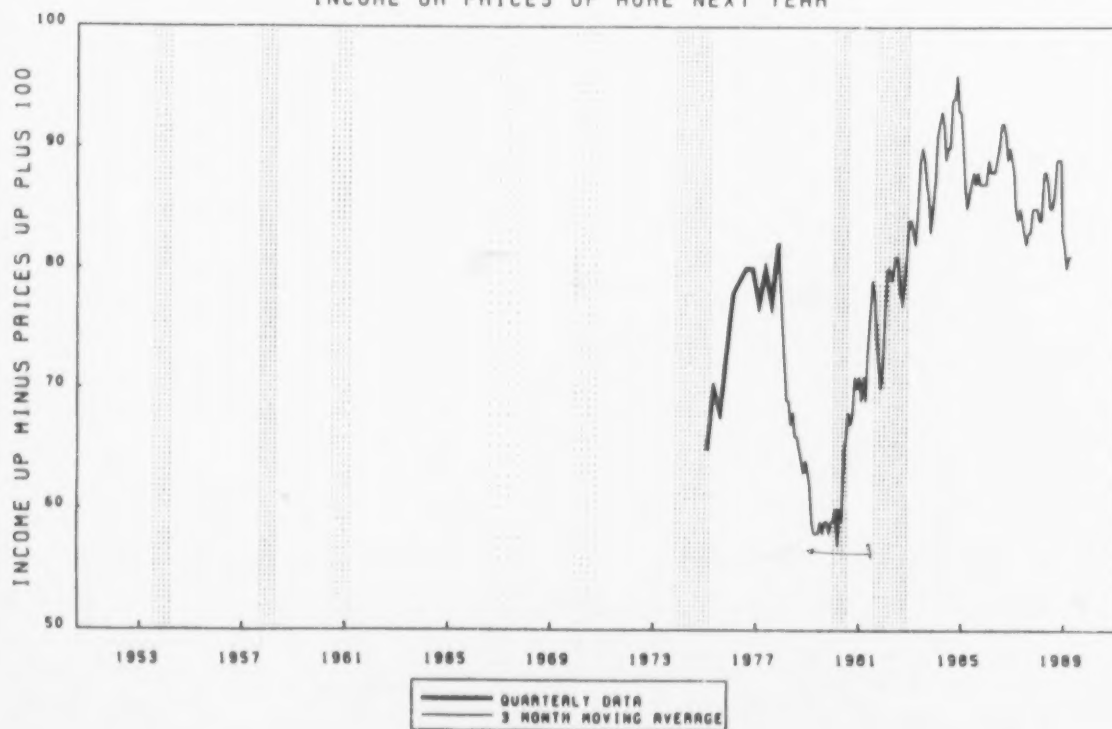


TABLE 9
EXPECTED CHANGE IN REAL FAMILY INCOME

	Apr. 1988	May 1988	June 1988	July 1988	Aug. 1988	Sept 1988	Oct. 1988	Nov. 1988	Dec. 1988	Jan. 1989	Feb. 1989	Mar. 1989	Apr. 1989
INCOME UP MORE	19%	19%	18%	19%	20%	25%	18%	21%	17%	19%	18%	17%	18%
INCOME UP SAME	47	44	46	46	43	41	46	43	41	41	43	44	43
PRICES UP MORE	33	34	33	34	32	31	34	33	40	37	36	37	37
DK,NA	1	3	3	1	5	3	2	3	2	3	3	2	2
TOTAL	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%
CASES	504	500	500	501	500	500	501	508	500	501	500	502	500

The question was: "How about the next year or two--do you expect that your (family) income will go up more than prices will go up, about the same, or less than prices will go up?"

CHART 10 - RECENT CHANGES
NEWS HEARD OF RECENT CHANGES IN BUSINESS CONDITIONS

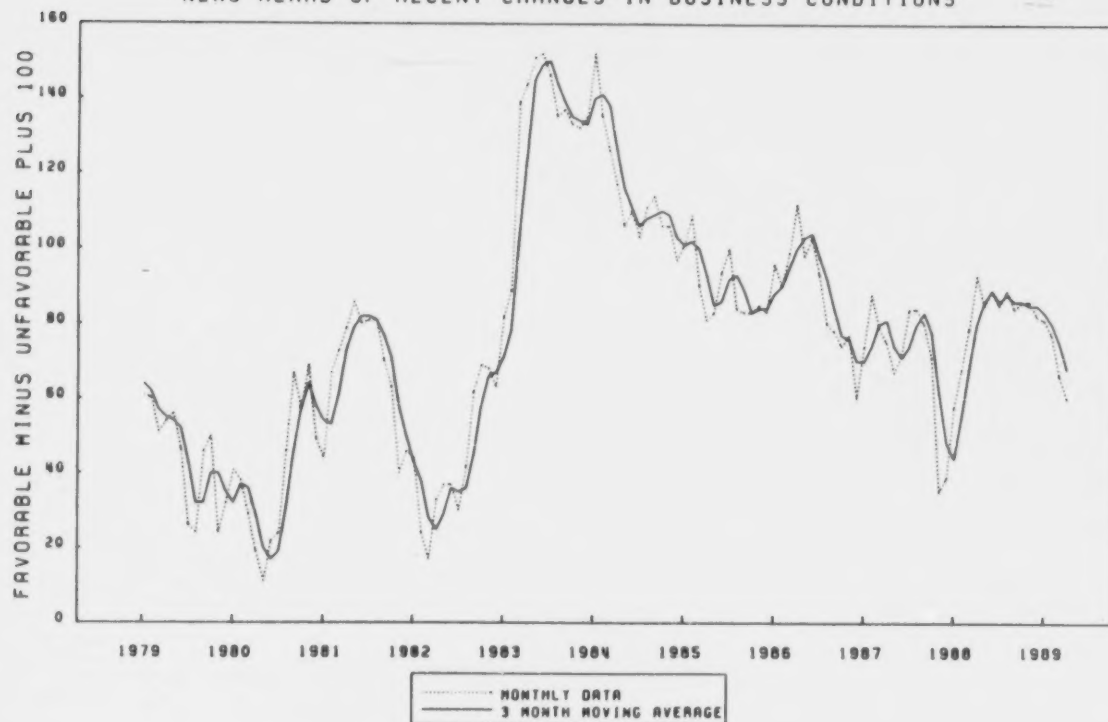


CHART 10 - HISTORICAL SERIES
NEWS HEARD OF RECENT CHANGES IN BUSINESS CONDITIONS

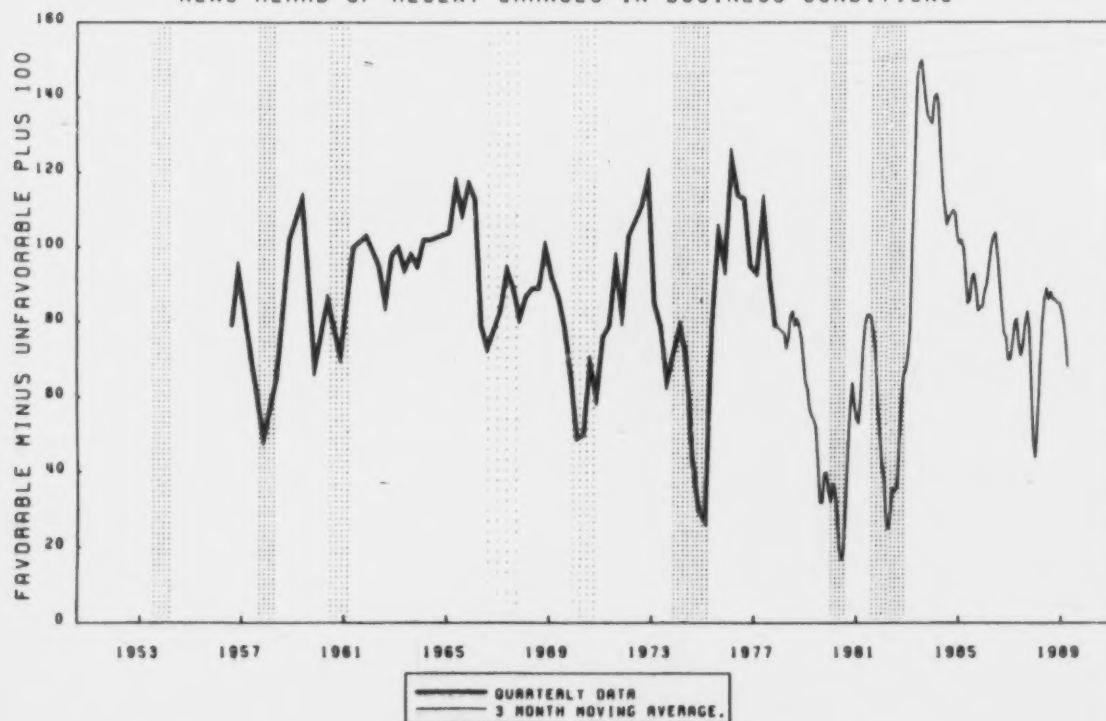


TABLE 10

NEWS HEARD OF RECENT CHANGES IN BUSINESS CONDITIONS +

	Apr. 1988	May 1988	June 1988	July 1988	Aug. 1988	Sept 1988	Oct. 1988	Nov. 1988	Dec. 1988	Jan. 1989	Feb. 1989	Mar. 1989	Apr. 1989
FAVORABLE NEWS	30%	33%	29%	29%	28%	32%	29%	25%	30%	24%	27%	22%	18%
UNFAVORABLE NEWS	37	48	40	44	39	48	43	39	48	43	50	56	58
NO MENTIONS	51	44	50	50	53	46	52	54	50	55	48	49	48

The questions were: "During the last few months, have you heard of any favorable or unfavorable changes in business conditions?" and "What did you hear?"

+ : May add to more than 100% due to multiple mentions.

CHART 11A - HISTORICAL SERIES
TYPE OF NEWS HEARD ABOUT CHANGES IN BUSINESS CONDITIONS

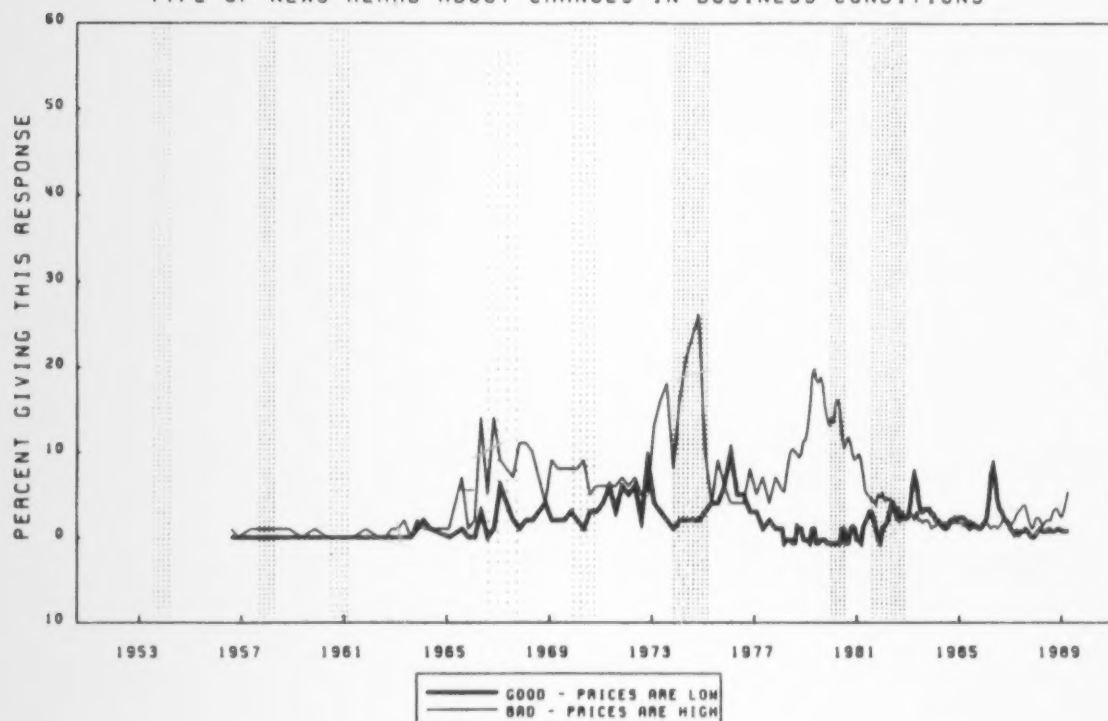


CHART 11B - HISTORICAL SERIES
TYPE OF NEWS HEARD ABOUT CHANGES IN BUSINESS CONDITIONS

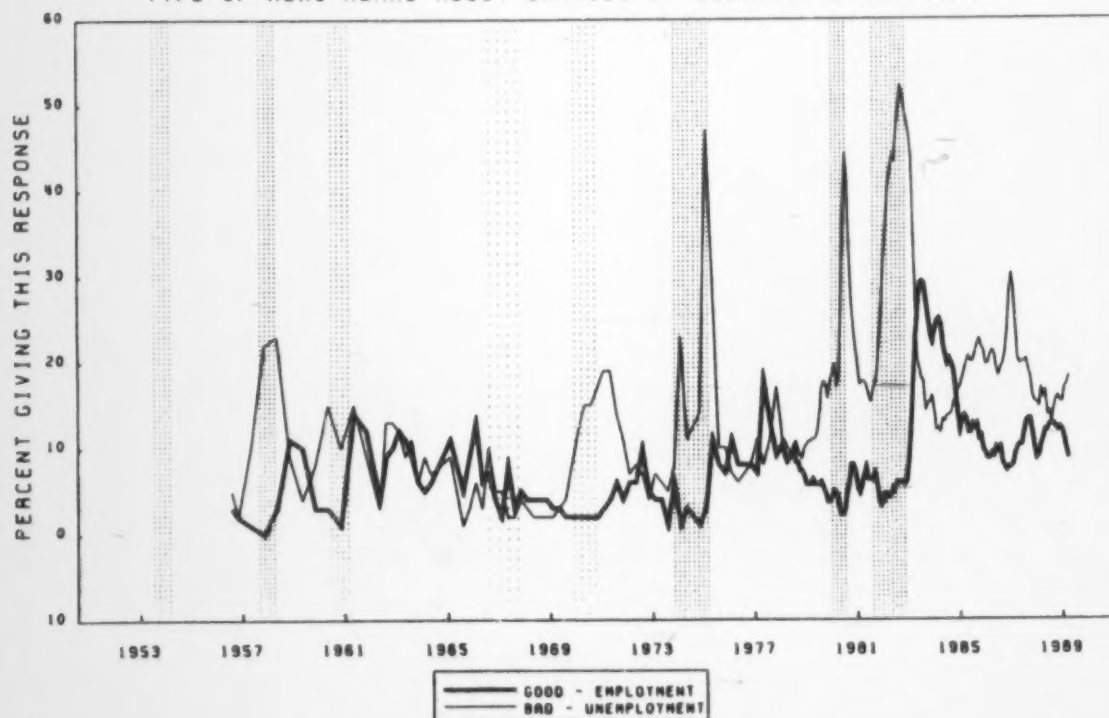


TABLE 11
SELECTED ITEMS OF
NEWS HEARD OF RECENT CHANGES IN BUSINESS CONDITIONS +

	Apr. 1988	May 1988	June 1988	July 1988	Aug. 1988	Sept 1988	Oct. 1988	Nov. 1988	Dec. 1988	Jan. 1989	Feb. 1989	Mar. 1989	Apr. 1989
FAVORABLE NEWS:													
Government; elections	2%	3%	2%	1%	2%	3%	2%	2%	4%	2%	5%	3%	1%
Employment	11	14	11	13	14	11	12	13	12	11	10	8	8
Higher consumer demand	1	3	1	3	2	2	2	2	2	2	1	1	3
Lower prices	*	1	1	1	*	1	1	1	1	*	1	1	*
Easier credit	2	2	1	1	1	1	1	1	1	1	1	1	*
Stock market	3	2	3	3	1	2	2	1	1	2	1	1	1
Trade deficit	2	1	2	1	1	3	2	1	1	1	1	1	1
UNFAVORABLE NEWS:													
Government; elections	5	5	6	4	3	3	5	6	7	7	7	5	4
Unemployment	12	16	13	14	12	18	17	13	16	17	18	17	20
Lower consumer demand	3	3	2	2	3	3	3	2	2	2	4	3	2
Higher prices	2	2	2	2	2	5	3	2	3	2	4	6	6
Tighter credit	1	4	3	3	7	6	4	2	6	4	5	10	12
Stock market	7	7	6	5	3	2	3	3	4	1	1	2	2
Trade deficit	3	4	3	1	2	1	1	4	2	2	3	3	3

The questions were: "During the last few months, have you heard of any favorable or unfavorable changes in business conditions?" and "What did you hear?"

+ : May add to more than 100% due to multiple mentions.

* : Less than half of one percent.

CHART 12 - RECENT CHANGES
CURRENT BUSINESS CONDITIONS COMPARED WITH A YEAR AGO

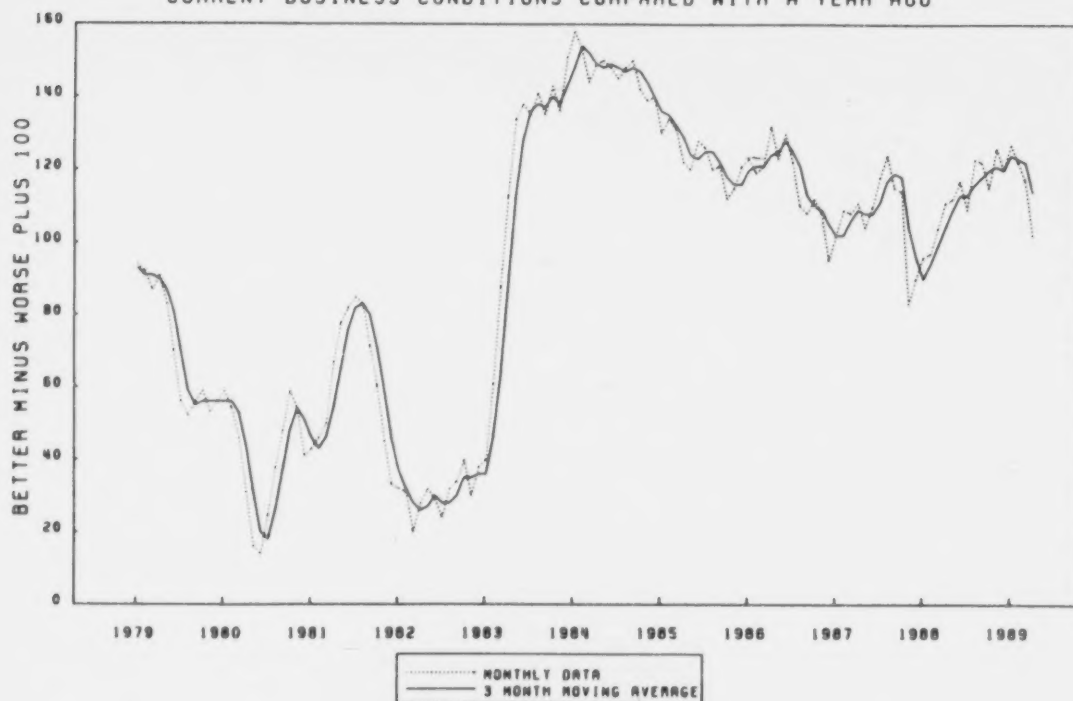


CHART 12 - HISTORICAL SERIES
CURRENT BUSINESS CONDITIONS COMPARED WITH A YEAR AGO

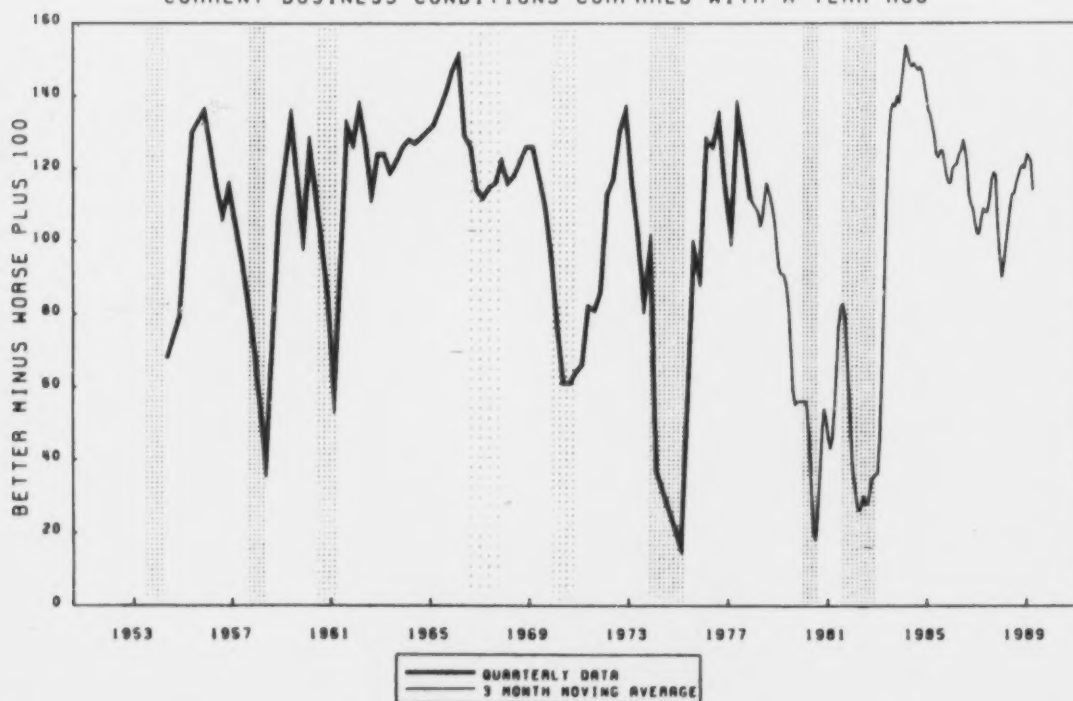


TABLE 12
CURRENT BUSINESS CONDITIONS COMPARED TO A YEAR AGO

	Apr. 1988	May 1988	June 1988	July 1988	Aug. 1988	Sept 1988	Oct. 1988	Nov. 1988	Dec. 1988	Jan. 1989	Feb. 1989	Mar. 1989	Apr. 1989
BETTER NOW	47%	47%	47%	45%	51%	50%	46%	54%	49%	53%	48%	47%	41%
SAME	14	17	21	15	18	20	21	17	20	19	22	22	18
WORSE NOW	36	35	30	36	28	28	31	28	29	26	26	30	39
DK,NA	3	1	2	4	3	2	2	1	2	2	4	1	2
TOTAL	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%
CASES	504	500	500	501	500	500	501	508	500	501	500	502	500

The question was: "Would you say that at the present time business conditions are better or worse than they were a year ago?"

CHART 13 - RECENT CHANGES
EXPECTED CHANGE IN BUSINESS CONDITIONS IN A YEAR



CHART 13 - HISTORICAL SERIES
EXPECTED CHANGE IN BUSINESS CONDITIONS IN A YEAR

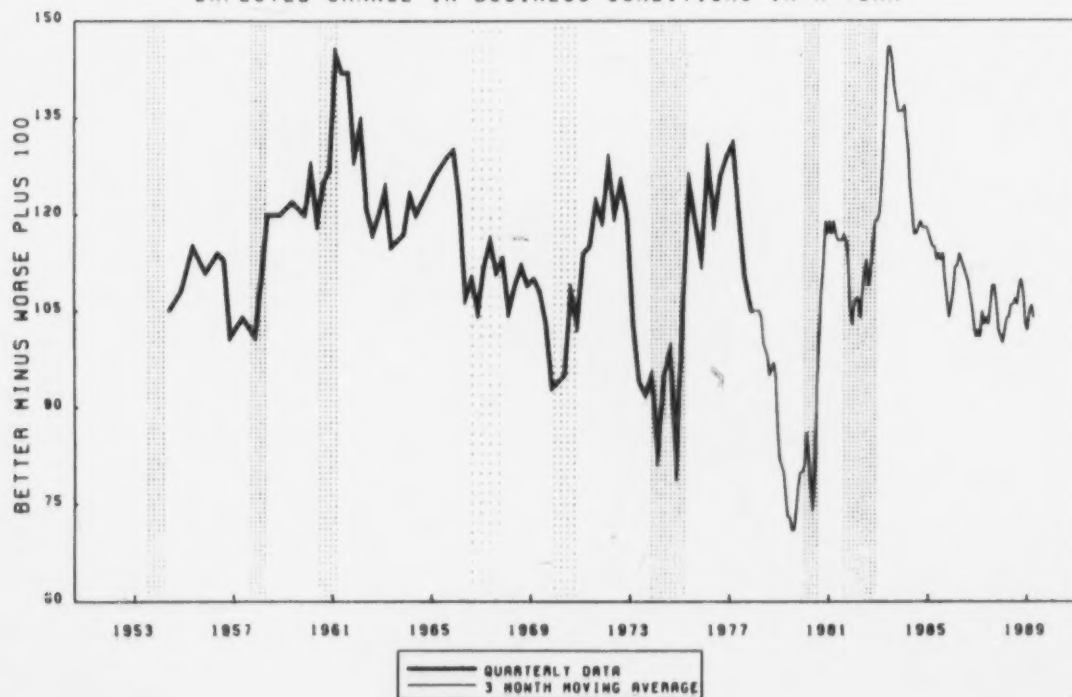


TABLE 13
EXPECTED CHANGE IN BUSINESS CONDITIONS IN A YEAR

	Apr. 1988	May 1988	June 1988	July 1988	Aug. 1988	Sept 1988	Oct. 1988	Nov. 1988	Dec. 1988	Jan. 1989	Feb. 1989	Mar. 1989	Apr. 1989
BETTER	21%	26%	24%	23%	24%	27%	23%	19%	19%	23%	26%	22%	20%
SAME	57	53	54	53	54	55	59	60	59	56	54	59	57
WORSE	18	16	19	18	16	14	14	18	19	17	17	18	21
DK,NA	4	5	3	6	6	4	4	3	3	4	3	1	2
TOTAL	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%
CASES	504	500	500	501	500	500	501	508	500	501	500	502	500

The question was: "And how about a year from now, do you expect that in the country as a whole business conditions will be better, or worse than they are at present, or just about the same?"

CHART 14 - RECENT CHANGES
TREND IN PAST AND EXPECTED BUSINESS CONDITIONS

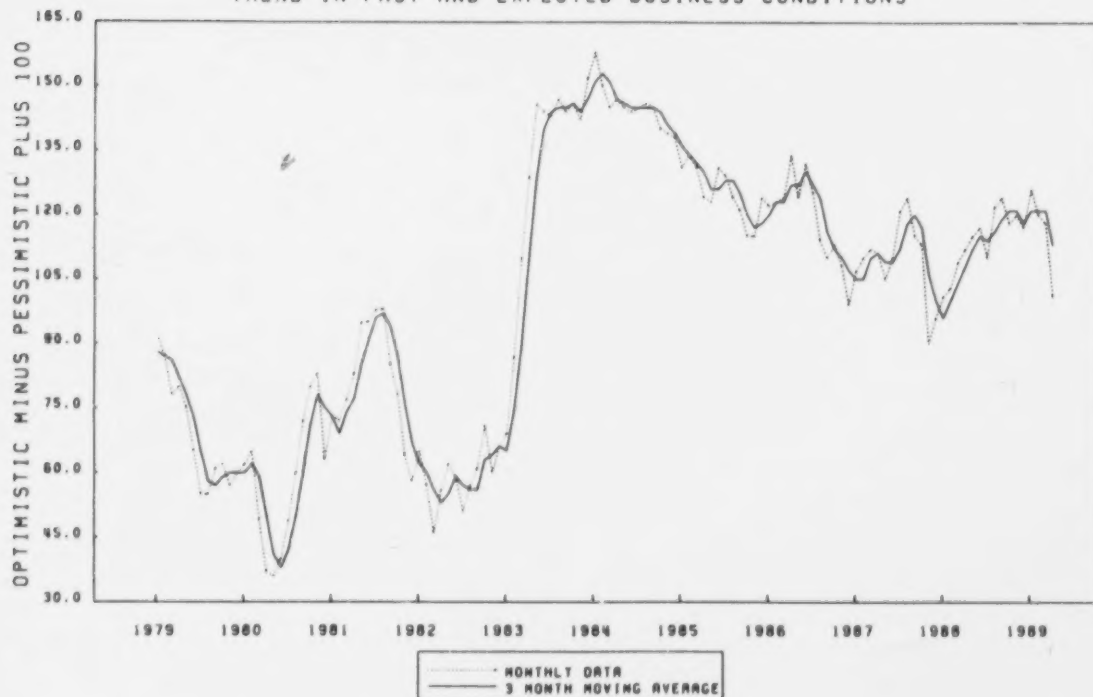


CHART 14 - HISTORICAL SERIES
TREND IN PAST AND EXPECTED BUSINESS CONDITIONS

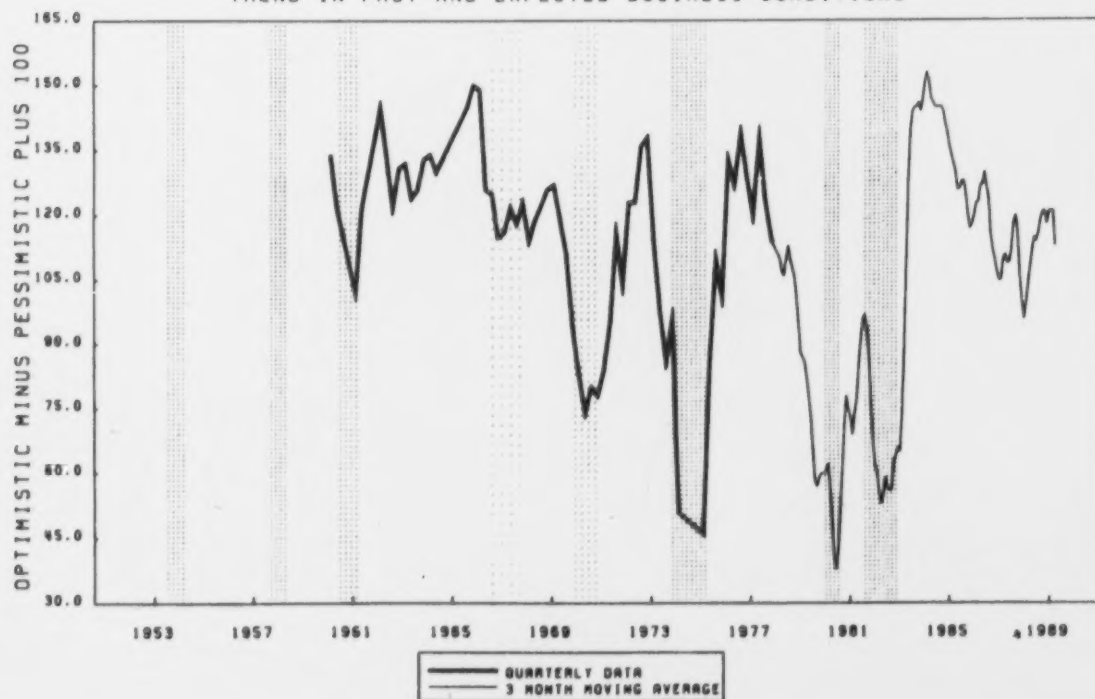


TABLE 14
TREND IN PAST AND EXPECTED CHANGES IN BUSINESS CONDITIONS

	Apr. 1988	May 1988	June 1988	July 1988	Aug. 1988	Sept 1988	Oct. 1988	Nov. 1988	Dec. 1988	Jan. 1989	Feb. 1989	Mar. 1989	Apr. 1989
TREND:													
Continuous increase (a)	14%	16%	15%	12%	18%	18%	15%	13%	10%	16%	18%	12%	14%
Intermittant increase (b)	30	29	30	28	29	31	31	35	35	34	28	33	24
Remain unchanged (c)	9	9	13	9	11	11	13	10	12	11	13	16	13
Intermittant decline (d)	20	20	18	20	17	19	19	21	19	16	21	16	24
Continuous decline (e)	12	10	10	10	8	6	9	7	9	8	5	11	13
Mixed change (f)	9	11	10	12	8	9	7	10	10	9	10	9	8
DK,NA	6	5	4	9	9	6	6	4	5	6	5	3	4
TOTAL	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%
CASES	504	500	500	501	500	500	501	508	500	501	500	502	500

Combination of the responses to the questions on Tables 12 and 13.

Key: (a) Better than a year ago/Better a year from now
 (b) Better/Same or Same/Better
 (c) Same/Same
 (d) Worse/Same or Same/Worse
 (e) Worse/Worse
 (f) Worse/Better or Better/Worse

CHART 15 - RECENT CHANGES
BUSINESS CONDITIONS EXPECTED DURING THE NEXT TWELVE MONTHS



CHART 15 - HISTORICAL SERIES
BUSINESS CONDITIONS EXPECTED DURING THE NEXT TWELVE MONTHS

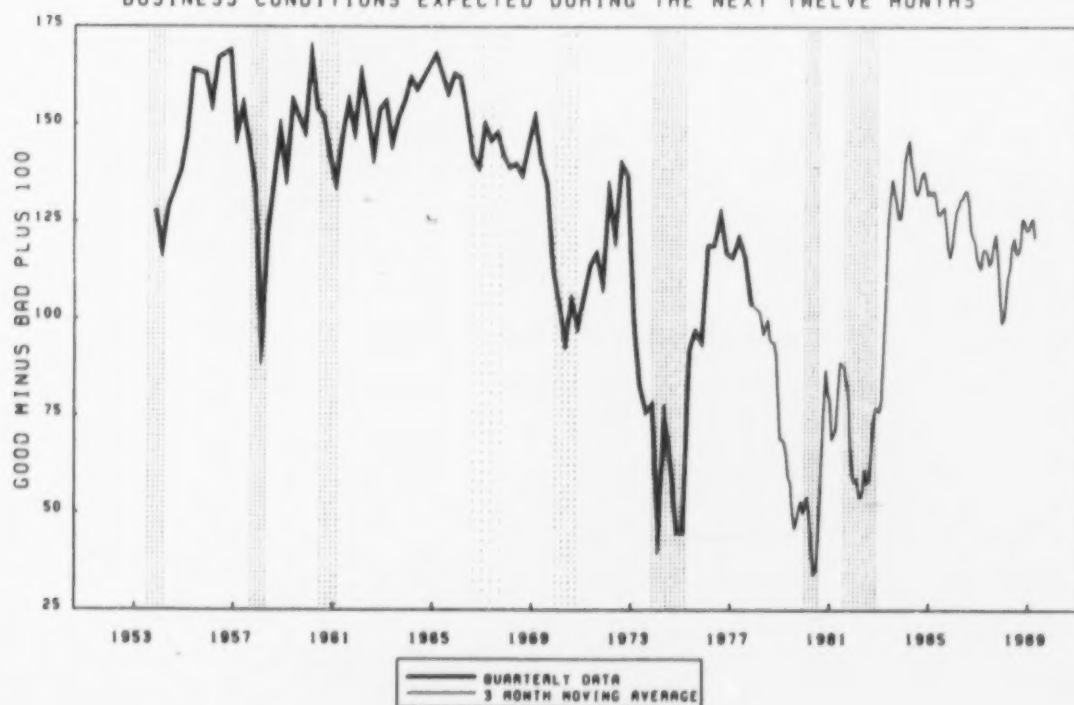


TABLE 15

BUSINESS CONDITIONS EXPECTED DURING THE NEXT 12 MONTHS

	Apr. 1988	May 1988	June 1988	July 1988	Aug. 1988	Sept 1988	Oct. 1988	Nov. 1988	Dec. 1988	Jan. 1989	Feb. 1989	Mar. 1989	Apr. 1989
GOOD TIMES	50%	54%	54%	44%	52%	53%	54%	53%	52%	56%	56%	55%	49%
UNCERTAIN; GOOD & BAD	4	4	3	4	4	5	7	4	5	4	3	4	3
BAD TIMES	33	29	33	38	27	28	25	31	33	28	28	32	36
DON'T KNOW	9	8	6	9	11	9	8	7	5	7	9	5	6
NOT ASCERTAINED	4	5	4	5	6	5	6	5	5	5	4	4	6
TOTAL	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%
CASES	504	500	500	501	500	500	501	508	500	501	500	502	500

The question was: "Now turning to business conditions in the country as a whole--do you think that during the next 12 months we'll have good times financially, or bad times or what?"

CHART 16 - RECENT CHANGES
BUSINESS CONDITIONS EXPECTED FOR THE NEXT FIVE YEARS



CHART 16 - HISTORICAL SERIES
BUSINESS CONDITIONS EXPECTED FOR THE NEXT FIVE YEARS

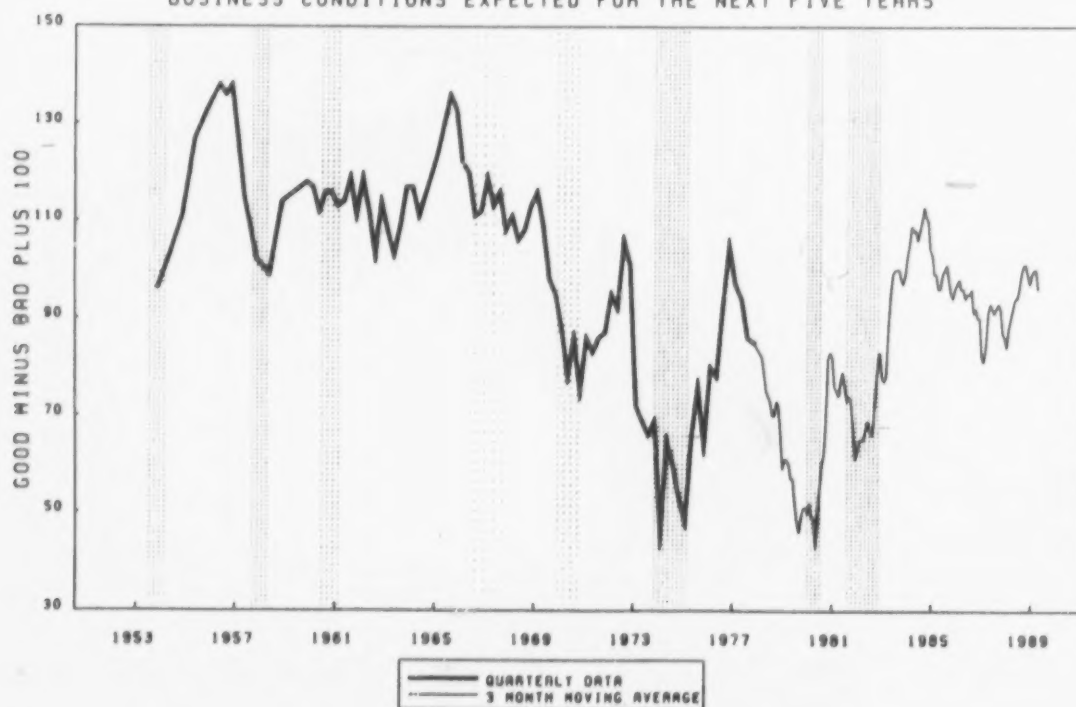


TABLE 16

BUSINESS CONDITIONS EXPECTED DURING THE NEXT FIVE YEARS

	Apr. 1988	May 1988	June 1988	July 1988	Aug. 1988	Sept 1988	Oct. 1988	Nov. 1988	Dec. 1988	Jan. 1989	Feb. 1989	Mar. 1989	Apr. 1989
GOOD TIMES	36%	41%	36%	39%	43%	41%	40%	40%	41%	45%	41%	40%	37%
UNCERTAIN; GOOD & BAD	15	13	16	11	16	17	12	14	12	9	12	14	13
BAD TIMES	47	43	41	43	38	39	43	43	43	42	42	42	46
NOT ASCERTAINED	2	3	7	7	3	3	5	3	4	4	5	4	4
TOTAL	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%
CASES	504	500	500	501	500	500	501	508	500	501	500	502	500

The question was: "Looking ahead, which would you say is more likely--that in the country as a whole we'll have continuous good times during the next 5 years or so, or that we will have periods of widespread unemployment or depression, or what?"

CHART 17 - RECENT CHANGES
EXPECTED CHANGE IN UNEMPLOYMENT

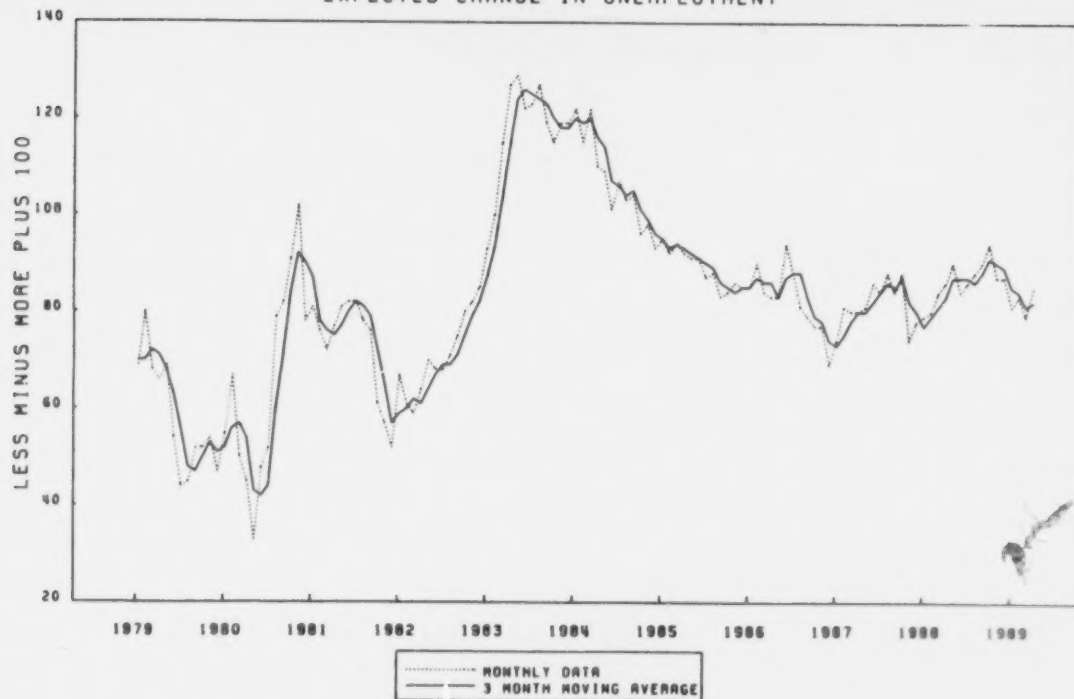


CHART 17 - HISTORICAL SERIES
EXPECTED CHANGE IN UNEMPLOYMENT

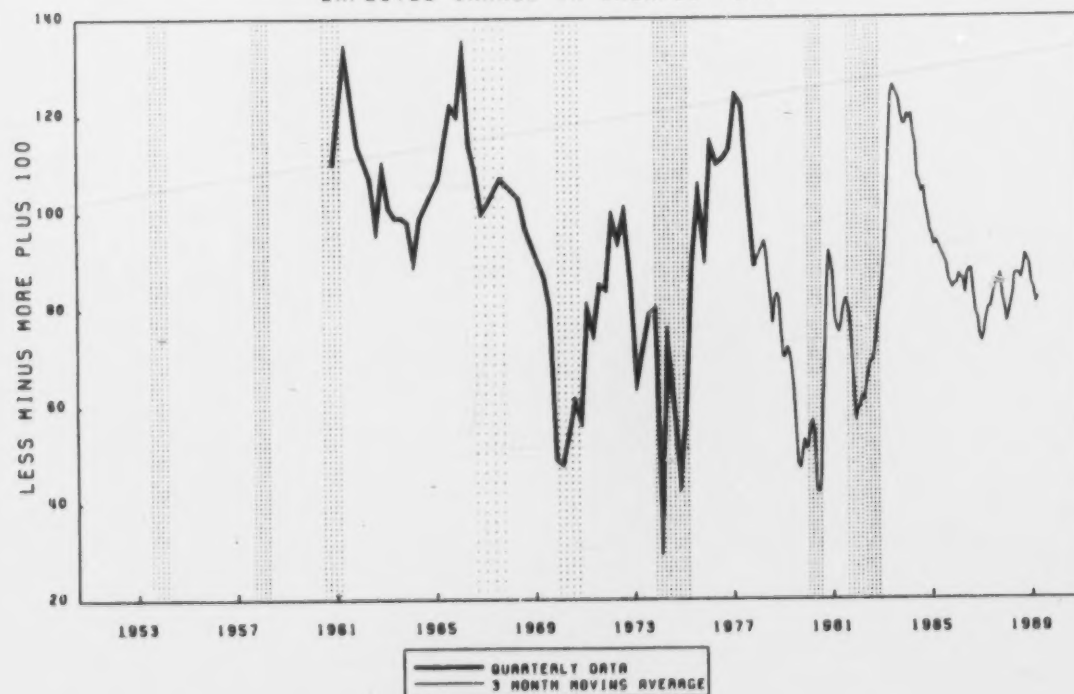


TABLE 17
EXPECTED CHANGE IN UNEMPLOYMENT

	Apr. 1988	May 1988	June 1988	July 1988	Aug. 1988	Sept 1988	Oct. 1988	Nov. 1988	Dec. 1988	Jan. 1989	Feb. 1989	Mar. 1989	Apr. 1989
LESS	14%	11%	15%	15%	15%	17%	16%	14%	15%	15%	13%	12%	14%
SAME	56	67	53	54	53	52	60	57	55	50	55	53	55
MORE	28	21	31	29	27	27	22	27	28	34	30	33	29
DK,NA	2	1	1	2	5	4	2	2	2	1	2	2	2
TOTAL	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%
CASES	504	500	500	501	500	500	501	508	500	501	500	502	500

The question was: "How about people out of work during the coming 12 months--do you think that there will be more unemployment than now, about the same, or less?"

CHART 18 - RECENT CHANGES
EXPECTED CHANGE IN INTEREST RATES

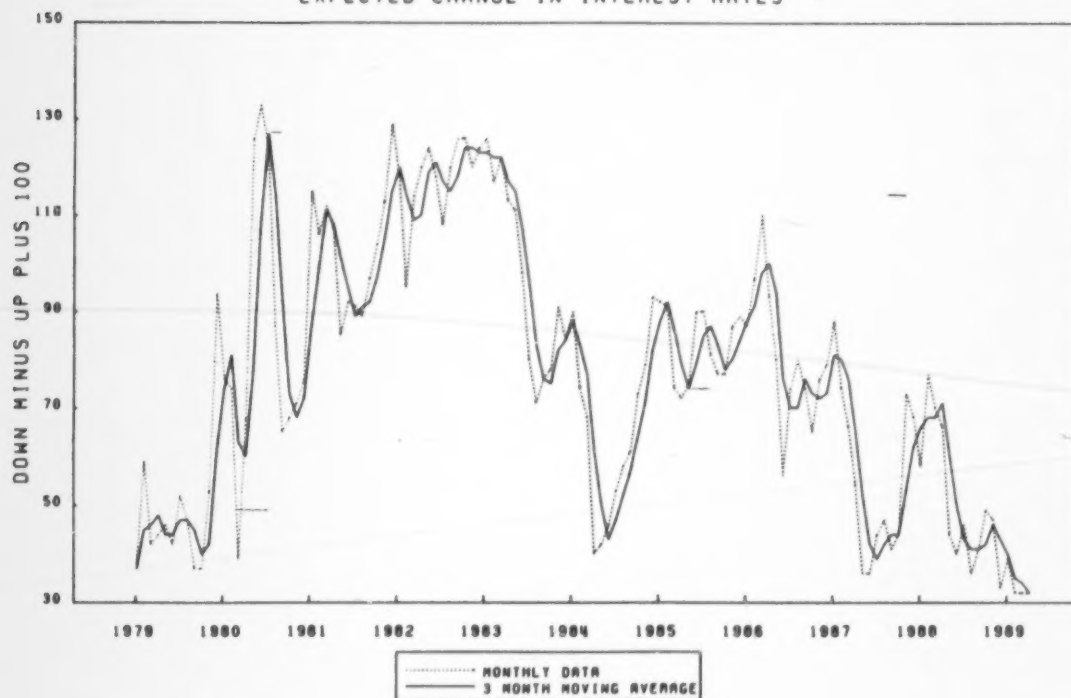


CHART 18 - HISTORICAL SERIES
EXPECTED CHANGE IN INTEREST RATES

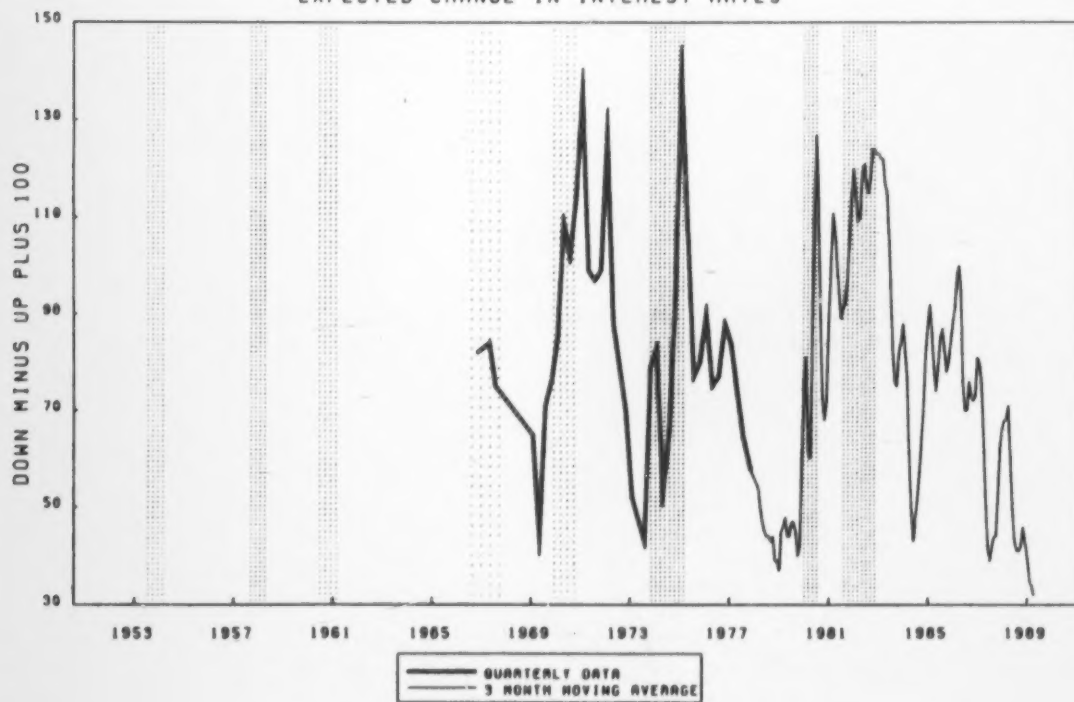


TABLE 18
EXPECTED CHANGE IN INTEREST RATES

	Apr. 1988	May 1988	June 1988	July 1988	Aug. 1988	Sept 1988	Oct. 1988	Nov. 1988	Dec. 1988	Jan. 1989	Feb. 1989	Mar. 1989	Apr. 1989
GO UP	48%	64%	67%	65%	71%	67%	62%	62%	74%	68%	75%	73%	75%
STAY THE SAME	35	26	24	22	19	21	24	27	16	23	16	20	17
GO DOWN	14	8	7	11	7	8	11	9	7	7	7	5	7
DK,NA	3	2	2	2	3	4	3	2	3	2	2	2	1
TOTAL	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%
CASES	504	500	500	501	500	500	501	508	500	501	500	502	500

The question was: "No one can say for sure, but what do you think will happen to interest rates for borrowing money during the next 12 months--will they go up, stay the same, or go down?"

CHART 19 - RECENT CHANGES
MEAN EXPECTED PRICE INCREASE OVER THE NEXT 12 MONTHS



CHART 19 - HISTORICAL SERIES
MEAN EXPECTED PRICE INCREASE OVER THE NEXT 12 MONTHS

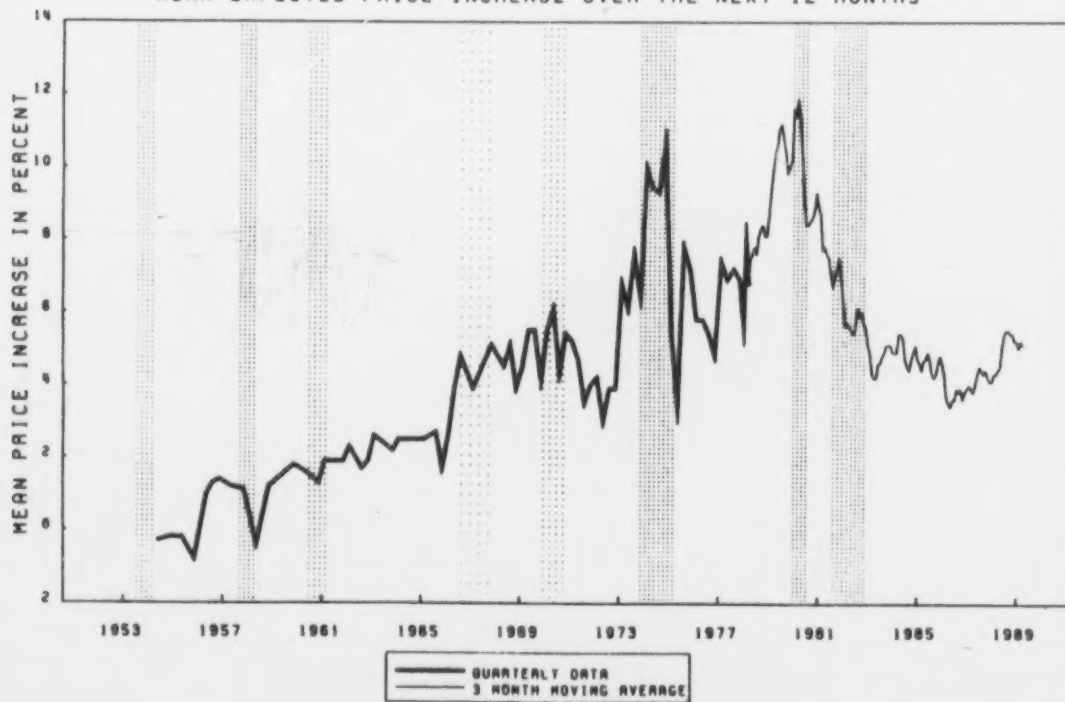


TABLE 19
EXPECTED CHANGE IN PRICES DURING THE NEXT 12 MONTHS

	Apr. 1988	May 1988	June 1988	July 1988	Aug. 1988	Sept 1988	Oct. 1988	Nov. 1988	Dec. 1988	Jan. 1989	Feb. 1989	Mar. 1989	Apr. 1989
SAME OR DOWN	14%	13%	13%	8%	8%	8%	9%	11%	10%	10%	11%	12%	8%
WILL GO UP BY:													
1-2%	19	19	18	15	15	16	20	15	16	20	15	18	17
3-4%	25	26	20	23	23	25	21	28	26	23	24	23	23
5%	18	18	20	19	22	21	20	18	20	19	22	17	21
6-9%	7	7	8	12	9	10	8	8	8	9	10	9	10
10-14%	7	6	9	12	8	7	9	9	11	7	8	9	10
15% or more	4	6	6	6	6	6	5	5	4	6	4	7	5
DK how much up	5	4	5	5	8	6	6	5	4	5	5	4	6
DK,NA	1	1	1	*	1	1	2	1	1	1	1	1	*
TOTAL	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%
MEAN INCREASE	4.5	4.9	5.6	5.6	5.4	5.5	5.2	5.4	5.0	5.1	4.8	5.6	5.0
VARIANCE	31	41	60	37	38	52	40	55	32	41	29	64	24
CASES	504	500	500	501	500	500	501	508	500	501	500	502	500

The questions were: "During the next 12 months, do you think that prices in general will go up, or go down, or stay where they are now?" and "By about what percent do you expect prices to go up, on the average, during the next 12 months?"

* : Less than half of one percent.

CHART 20 - RECENT CHANGES
OPINIONS ABOUT THE GOVERNMENT'S ECONOMIC POLICY

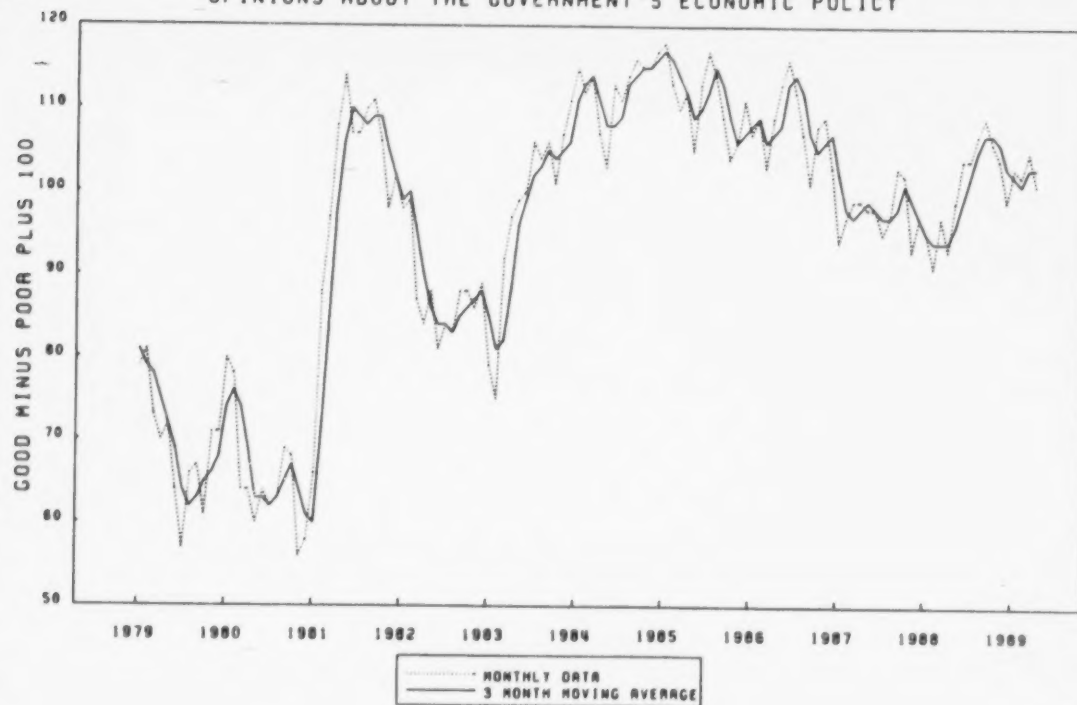


CHART 20 - HISTORICAL SERIES
OPINIONS ABOUT THE GOVERNMENT'S ECONOMIC POLICY

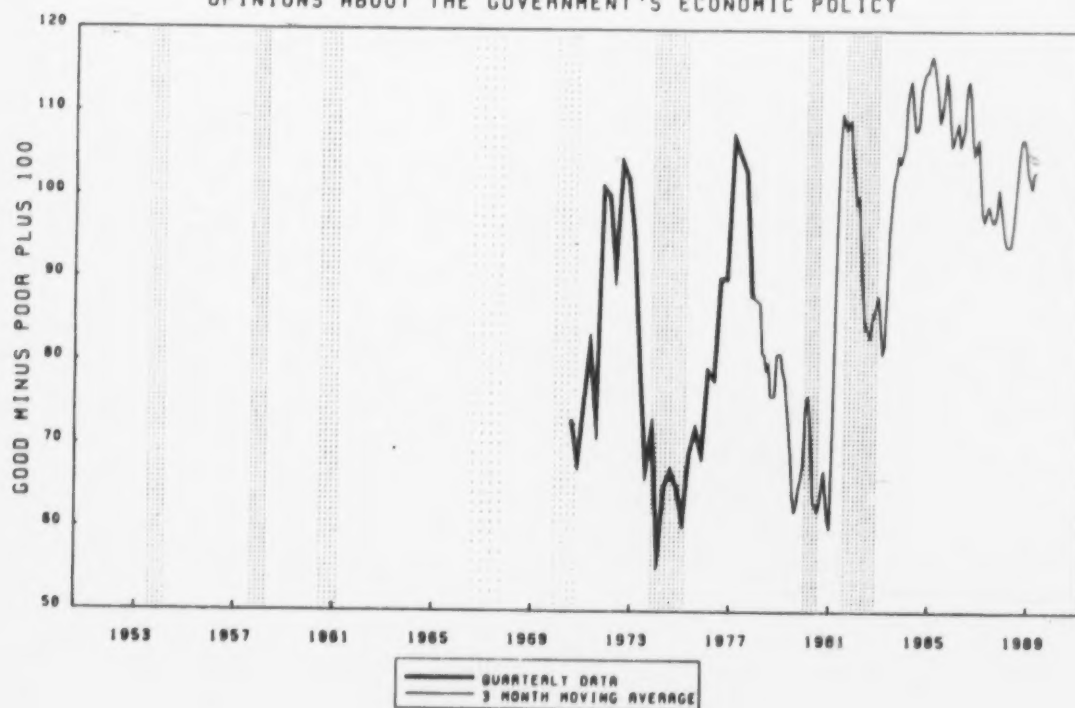


TABLE 20
OPINIONS ABOUT THE GOVERNMENT'S ECONOMIC POLICY

	Apr. 1988	May 1988	June 1988	July 1988	Aug. 1988	Sept 1988	Oct. 1988	Nov. 1988	Dec. 1988	Jan. 1989	Feb. 1989	Mar. 1989	Apr. 1989
A GOOD JOB	18%	21%	23%	25%	28%	29%	26%	27%	20%	27%	23%	25%	19%
ONLY FAIR	56	56	57	51	48	49	51	49	57	48	51	52	59
A POOR JOB	25	22	19	21	21	20	20	23	21	24	21	20	18
DK,NA	1	1	1	3	3	2	3	1	2	1	5	3	4
TOTAL	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%
CASES	504	500	500	501	500	500	501	508	500	501	500	502	500

The question was: "As to the economic policy of the government--I mean steps taken to fight inflation or unemployment--would you say the government is doing a good job, only fair, or a poor job?"

CHART 21 - RECENT CHANGES
BUYING CONDITIONS FOR LARGE HOUSEHOLD GOODS



CHART 21 - HISTORICAL SERIES
BUYING CONDITIONS FOR LARGE HOUSEHOLD GOODS

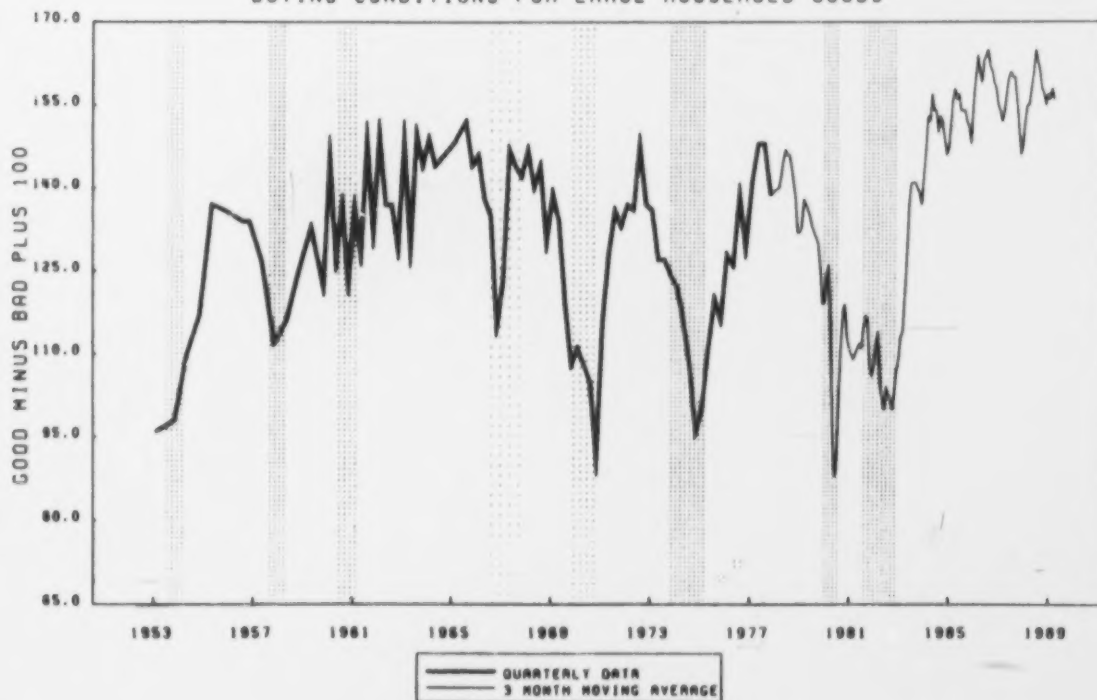


TABLE 21
BUYING CONDITIONS FOR LARGE HOUSEHOLD GOODS

	Apr. 1988	May 1988	June 1988	July 1988	Aug. 1988	Sept 1988	Oct. 1988	Nov. 1988	Dec. 1988	Jan. 1989	Feb. 1989	Mar. 1989	Apr. 1989
GOOD TIME TO BUY	73%	79%	74%	79%	74%	71%	73%	73%	70%	78%	71%	72%	75%
UNCERTAIN, DEPENDS	8	7	15	9	12	15	12	10	10	9	12	12	8
BAD TIME TO BUY	19	14	11	12	14	14	15	17	20	13	17	16	17
TOTAL	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%
CASES	504	500	500	501	500	500	501	508	500	501	500	502	500

The question was: "About the big things people buy for their homes--such as furniture, a refrigerator, stove, television, and things like that. Generally speaking, do you think now is a good or a bad time for people to buy major household items?"

CHART 22A - HISTORICAL SERIES
REASONS FOR OPINIONS ABOUT BUYING CONDITIONS FOR DURABLES

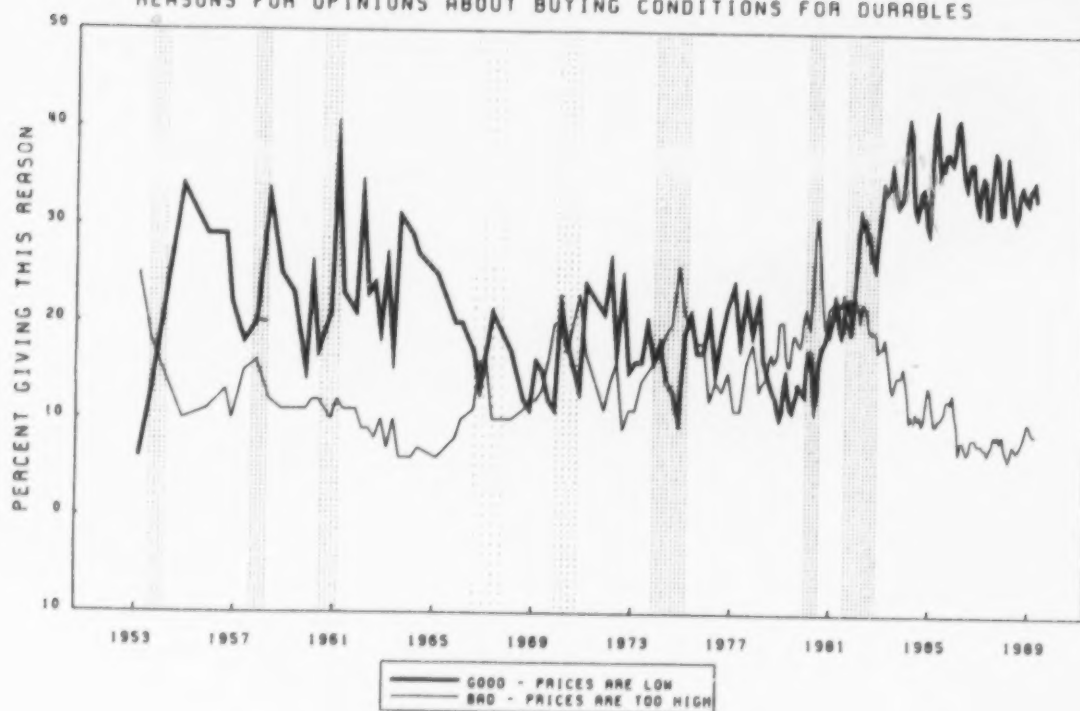


CHART 22B - HISTORICAL SERIES
REASONS FOR OPINIONS ABOUT BUYING CONDITIONS FOR DURABLES

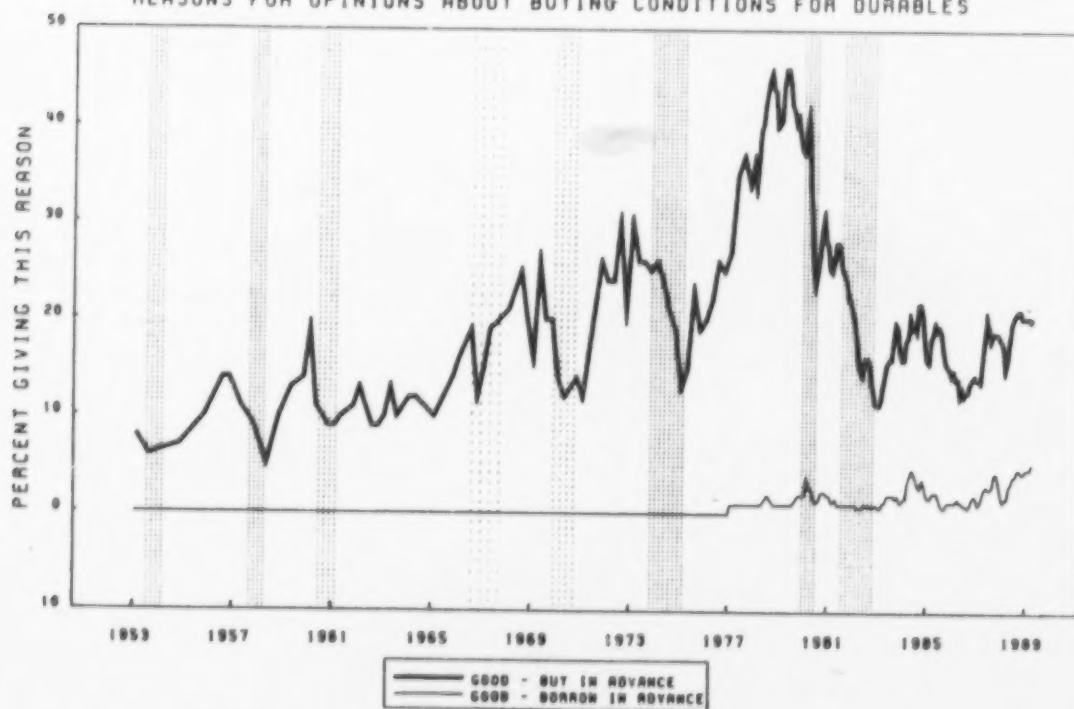


TABLE 22

SELECTED REASONS FOR OPINIONS ABOUT BUYING CONDITIONS FOR LARGE HOUSEHOLD GOODS +

	Apr. 1988	May 1988	June 1988	July 1988	Aug. 1988	Sept 1988	Oct. 1988	Nov. 1988	Dec. 1988	Jan. 1989	Feb. 1989	Mar. 1989	Apr. 1989
GOOD TIME TO BUY:													
Prices are low; good buys available	32%	30%	31%	34%	36%	33%	32%	34%	32%	36%	35%	33%	31%
Prices won't come down; are going higher	19	20	20	21	21	21	21	19	21	21	19	20	22
Interest rates are low	9	6	8	7	7	7	7	8	4	5	4	6	4
Borrow-in-advance of rising interest rates	2	5	3	4	5	5	4	4	5	5	4	5	7
Times are good; prosperity	10	7	7	10	7	5	8	5	7	7	9	7	8
BAD TIME TO BUY:													
Prices are high	7	8	7	6	9	8	8	11	11	7	9	10	7
Interest rates are high; credit is tight	4	4	2	2	3	3	4	3	5	2	5	5	8
Times are bad; can't afford to buy	6	3	2	3	3	2	4	3	3	4	5	4	4
Bad times ahead; uncertain future	4	2	1	3	3	3	2	1	3	3	3	1	2

Responses to the query: "Why do you say so?" following the question on Table 21.
 + : May add to more than 100% due to multiple mentions.

CHART 22C - HISTORICAL SERIES
 REASONS FOR OPINIONS ABOUT BUYING CONDITIONS FOR DURABLES

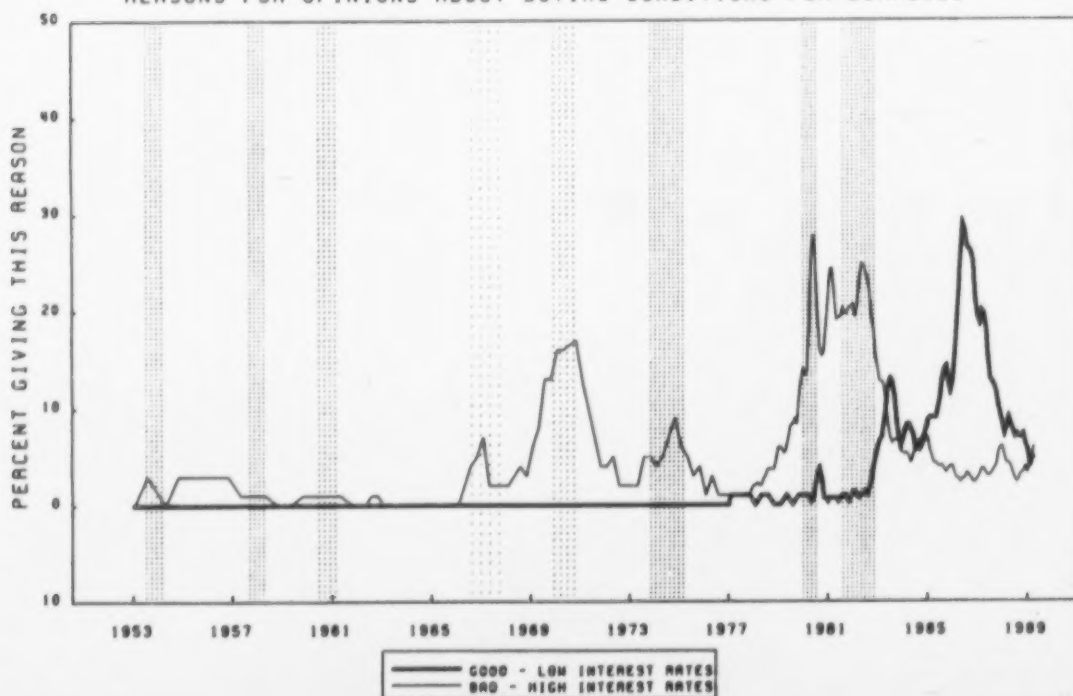


CHART 23 - RECENT CHANGES
BUYING CONDITIONS FOR HOUSES



CHART 23 - HISTORICAL SERIES
BUYING CONDITIONS FOR HOUSES

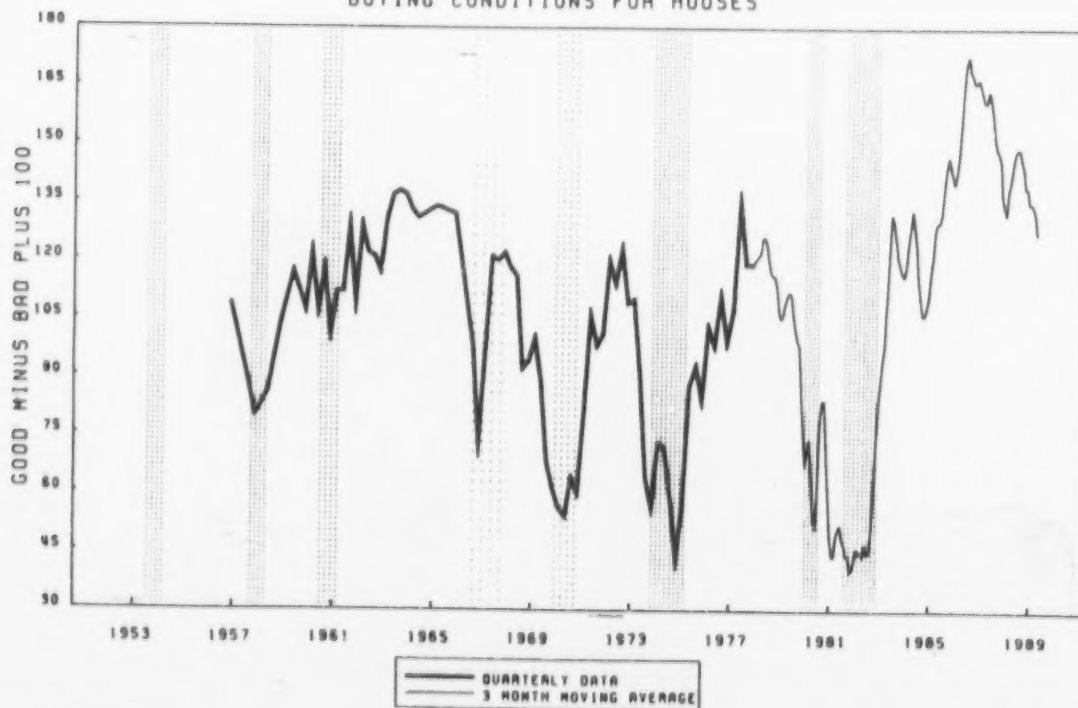


TABLE 23
BUYING CONDITIONS FOR HOUSES

	Apr. 1988	May 1988	June 1988	July 1988	Aug. 1988	Sept 1988	Oct. 1988	Nov. 1988	Dec. 1988	Jan. 1989	Feb. 1989	Mar. 1989	Apr. 1989
GOOD TIME TO BUY	72%	72%	73%	72%	67%	70%	64%	67%	63%	64%	64%	60%	58%
UNCERTAIN, DEPENDS	5	3	5	4	6	5	5	4	7	6	8	5	4
BAD TIME TO BUY	23	25	22	24	27	25	31	29	30	30	28	35	38
TOTAL	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%
CASES	504	500	500	501	500	500	501	508	500	501	500	502	500

The question was: "Generally speaking, do you think now is a good time or a bad time to buy a house?"

CHART 24A - HISTORICAL SERIES
REASONS FOR OPINIONS ABOUT BUYING CONDITIONS FOR HOUSES

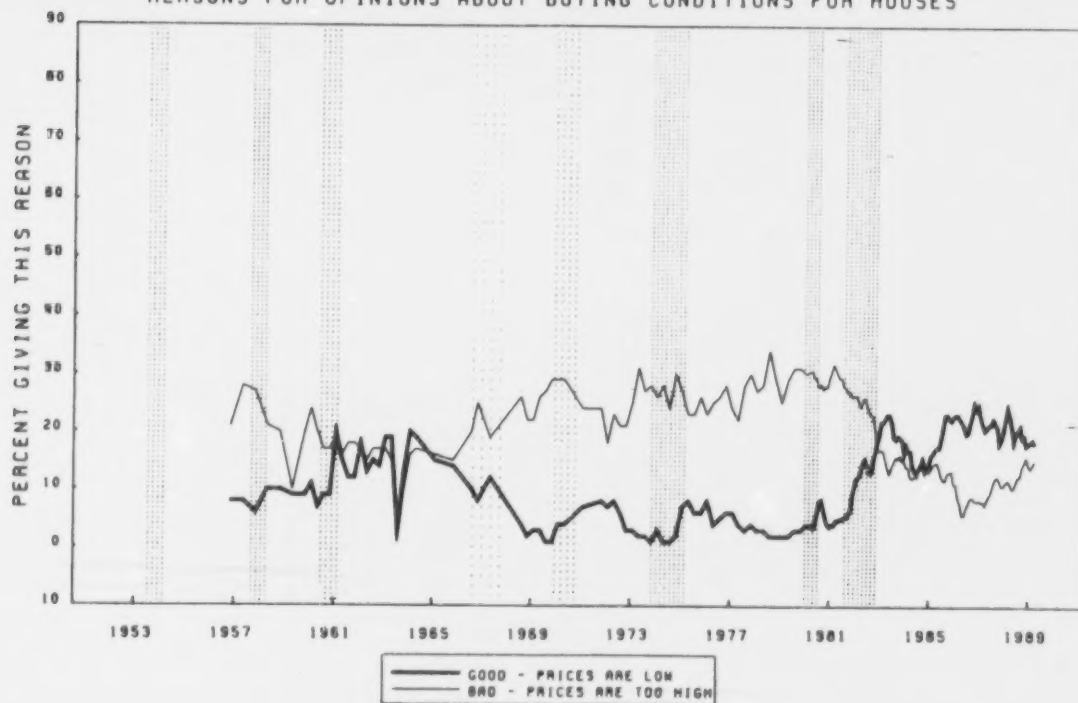


CHART 24B - HISTORICAL SERIES
REASONS FOR OPINIONS ABOUT BUYING CONDITIONS FOR HOUSES

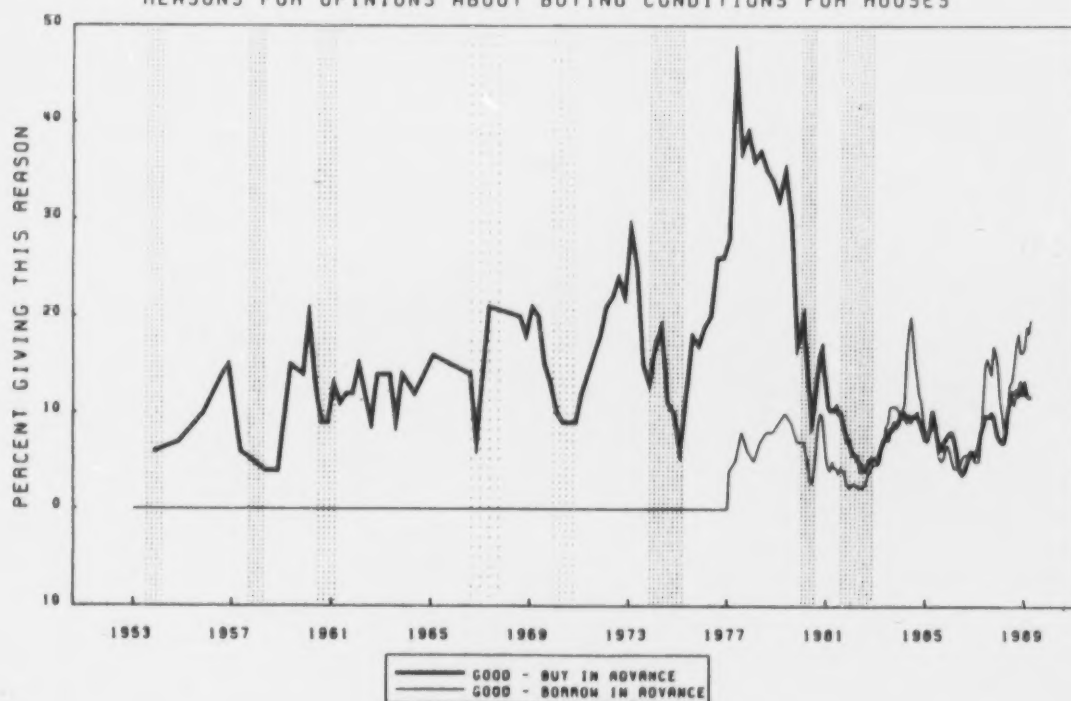


TABLE 24

SELECTED REASONS FOR OPINIONS ABOUT BUYING CONDITIONS FOR HOUSES +

	Apr. 1988	May 1988	June 1988	July 1988	Aug. 1988	Sept 1988	Oct. 1988	Nov. 1988	Dec. 1988	Jan. 1989	Feb. 1989	Mar. 1989	Apr. 1989
GOOD TIME TO BUY:													
Prices are low; good buys available	20%	16%	19%	24%	18%	21%	18%	19%	16%	19%	20%	17%	17%
Prices won't come down; are going higher	10	12	12	12	10	15	11	13	13	13	10	12	13
Interest rates are low	40	37	34	30	28	22	25	33	19	22	20	17	16
Borrow-in-advance of rising interest rates	10	14	15	11	19	21	15	13	21	16	20	19	20
Good investment	7	10	6	7	9	9	9	10	8	7	7	9	6
Times are good; prosperity	4	5	5	6	5	4	4	3	3	4	5	2	4
BAD TIME TO BUY:													
Prices are high	10	10	11	13	13	11	18	15	14	14	13	16	16
Interest rates are high; credit is tight	10	12	10	11	14	14	16	12	18	16	12	24	28
Times are bad; can't afford to buy	8	6	4	4	4	4	5	6	3	5	6	7	7
Bad times ahead; uncertain future	4	3	3	2	3	2	3	3	5	4	3	3	4

Responses to the query: "Why do you say so?" following the question on Table 23.
+ : May add to more than 100% due to multiple mentions.

CHART 24C - HISTORICAL SERIES
REASONS FOR OPINIONS ABOUT BUYING CONDITIONS FOR HOUSES

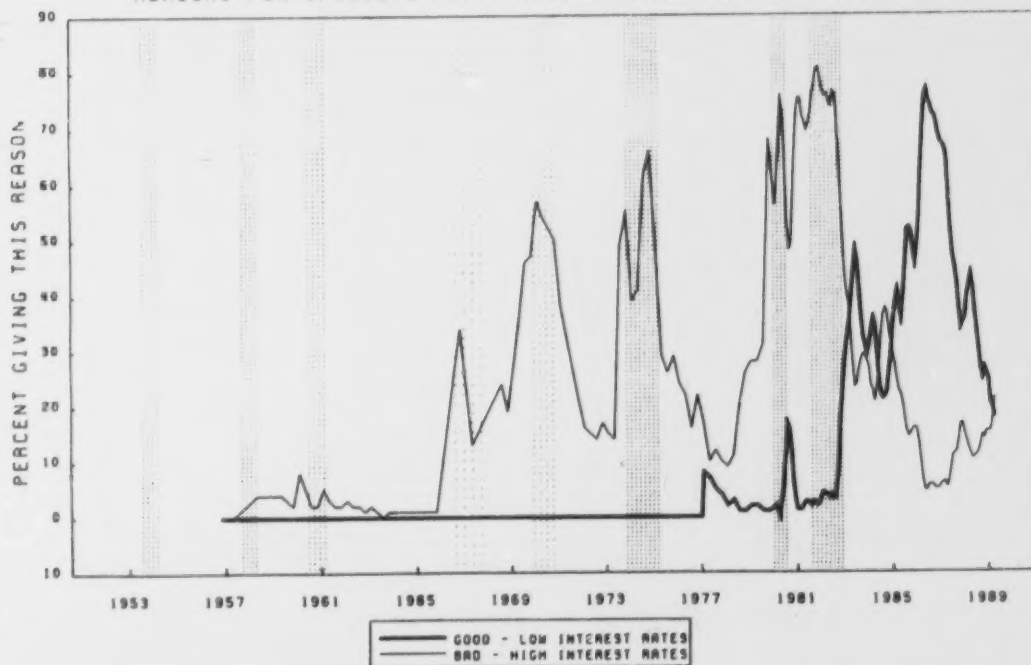


CHART 25 - RECENT CHANGES
BUYING CONDITIONS FOR CARS

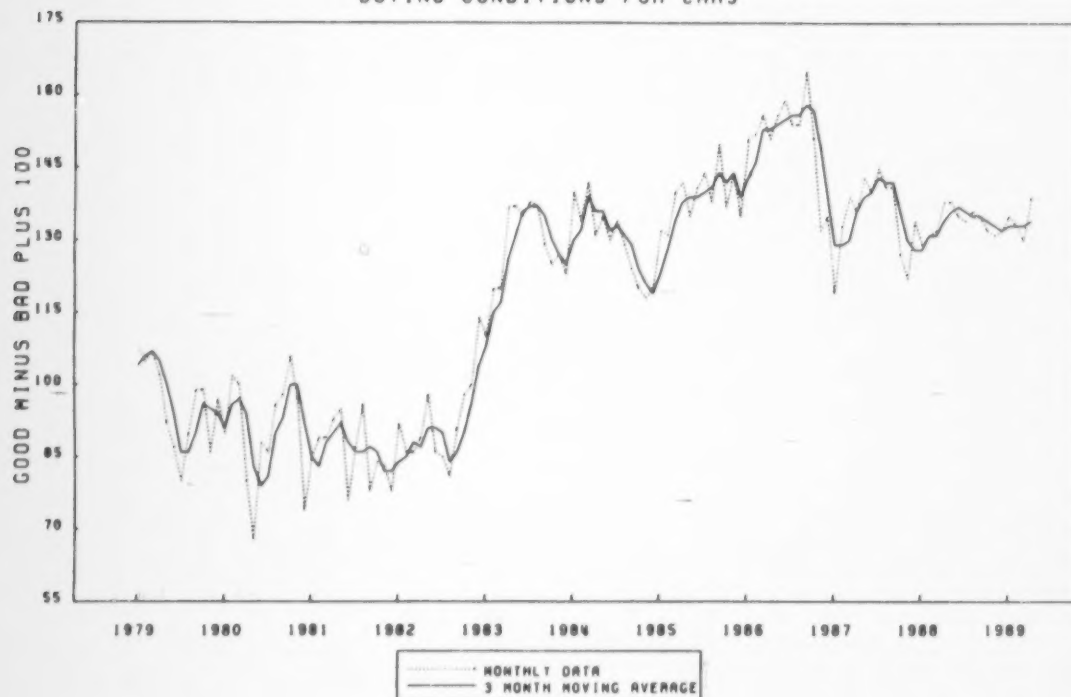


CHART 25 - HISTORICAL SERIES
BUYING CONDITIONS FOR CARS

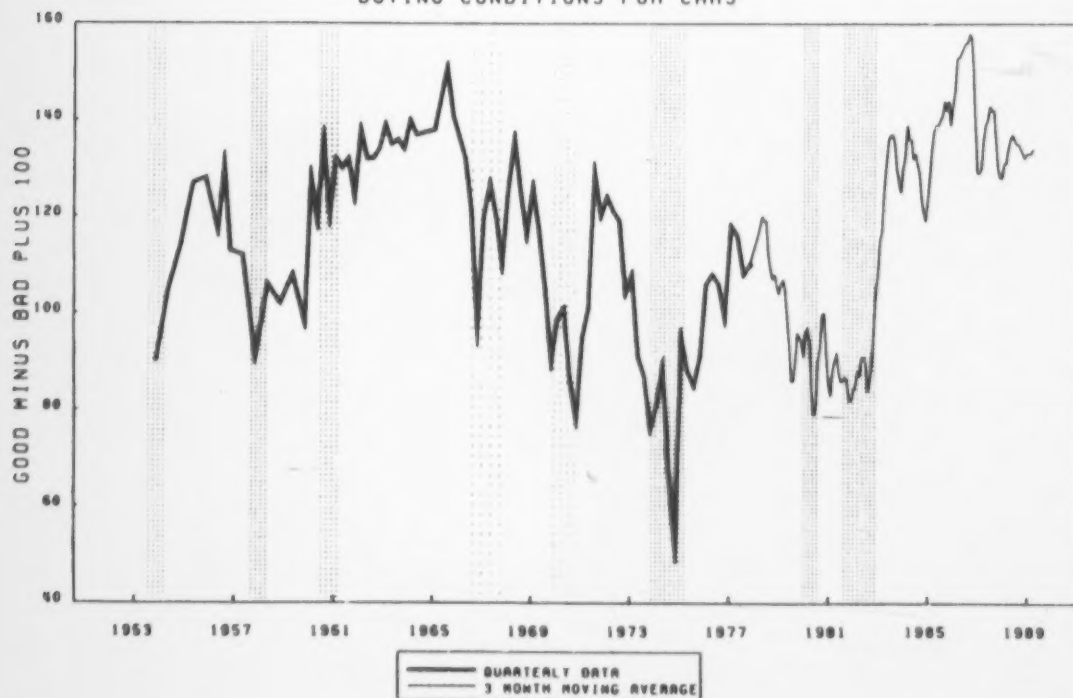


TABLE 25
BUYING CONDITIONS FOR CARS

	Apr. 1988	May 1988	June 1988	July 1988	Aug. 1988	Sept 1988	Oct. 1988	Nov. 1988	Dec. 1988	Jan. 1989	Feb. 1989	Mar. 1989	Apr. 1989
GOOD TIME TO BUY	63%	64%	62%	62%	62%	61%	60%	61%	61%	62%	61%	61%	65%
UNCERTAIN; DEPENDS	12	10	11	10	12	13	12	9	10	11	11	8	9
BAD TIME TO BUY	25	26	27	28	26	26	28	30	29	27	28	31	26
TOTAL	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%
CASES	504	500	500	501	500	500	501	508	500	501	500	502	500

The question was: "Speaking now of the automobile market--do you think the next 12 months or so will be a good time or a bad time to buy a car?"

CHART 26A - HISTORICAL SERIES
REASONS FOR OPINIONS ABOUT BUYING CONDITIONS FOR CARS

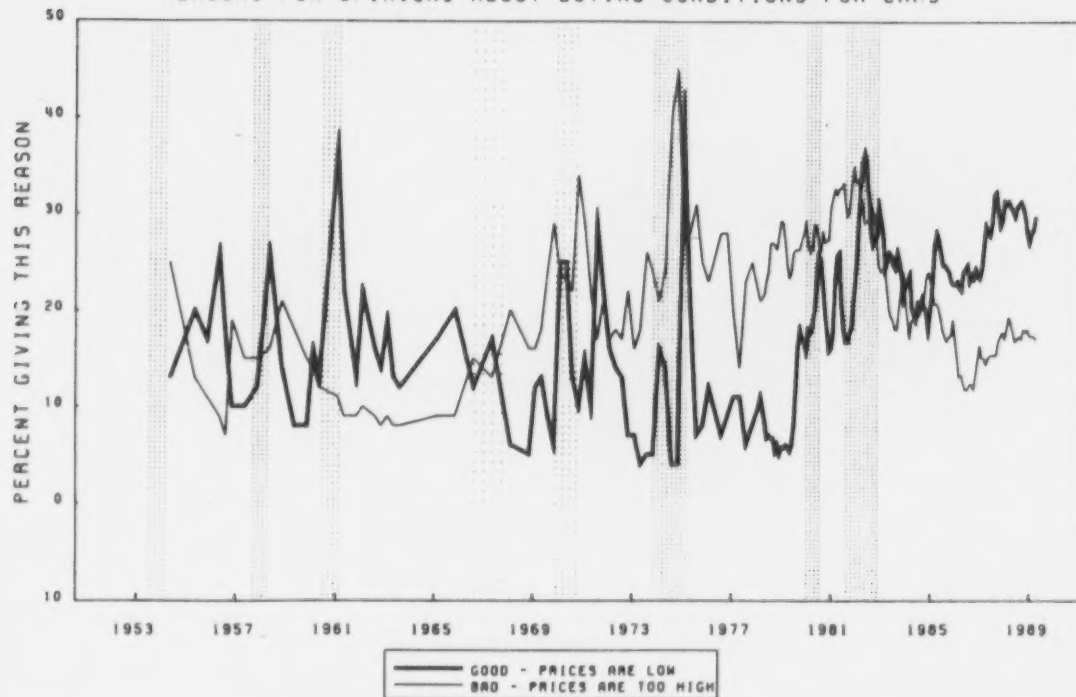


CHART 26B - HISTORICAL SERIES
REASONS FOR OPINIONS ABOUT BUYING CONDITIONS FOR CARS

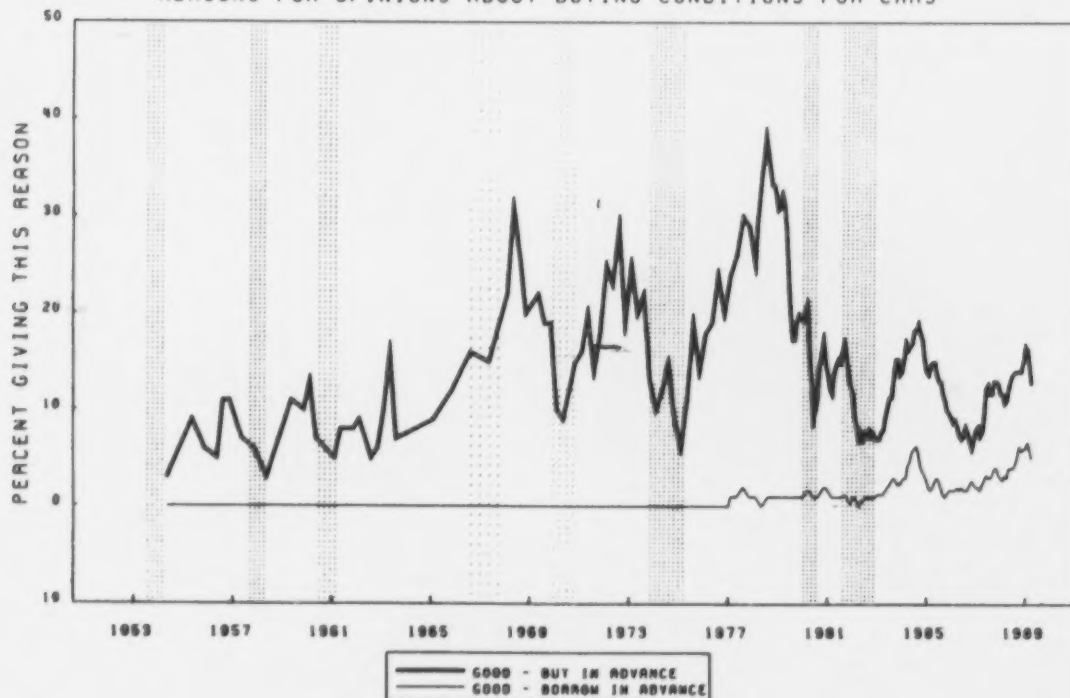


TABLE 26

SELECTED REASONS FOR OPINIONS ABOUT BUYING CONDITIONS FOR CARS +

	Apr. 1988	May 1988	June 1988	July 1988	Aug. 1988	Sept 1988	Oct. 1988	Nov. 1988	Dec. 1988	Jan. 1989	Feb. 1989	Mar. 1989	Apr. 1989
GOOD TIME TO BUY:													
Prices are low; good buys available	30%	29%	30%	33%	30%	31%	31%	27%	26%	28%	30%	27%	32%
Prices won't come down; are going higher	12	14	14	13	15	14	13	15	17	18	14	12	12
Interest rates are low	21	17	16	14	16	14	12	14	11	11	15	15	25
Borrow-in-advance of rising interest rates	3	5	4	3	6	6	7	4	7	7	6	5	4
Times are good; prosperity	3	4	3	5	4	4	4	4	4	5	4	3	3
BAD TIME TO BUY:													
Prices are high	15	17	18	16	18	17	19	17	18	17	17	18	16
Interest rates are high; credit is tight	6	6	4	6	6	9	8	7	9	7	6	13	9
Times are bad; can't afford to buy	5	3	1	3	4	2	3	2	4	2	4	2	3
Bad times ahead; uncertain future	2	2	2	2	2	2	1	2	3	1	1	2	3
Poor selection; quality	2	2	3	3	2	3	5	3	2	4	3	3	2

Responses to the query: "Why do you say so?" following the question on Table 25.
+ : May add to more than 100% due to multiple mentions.

CHART 26C - HISTORICAL SERIES
REASONS FOR OPINIONS ABOUT BUYING CONDITIONS FOR CARS

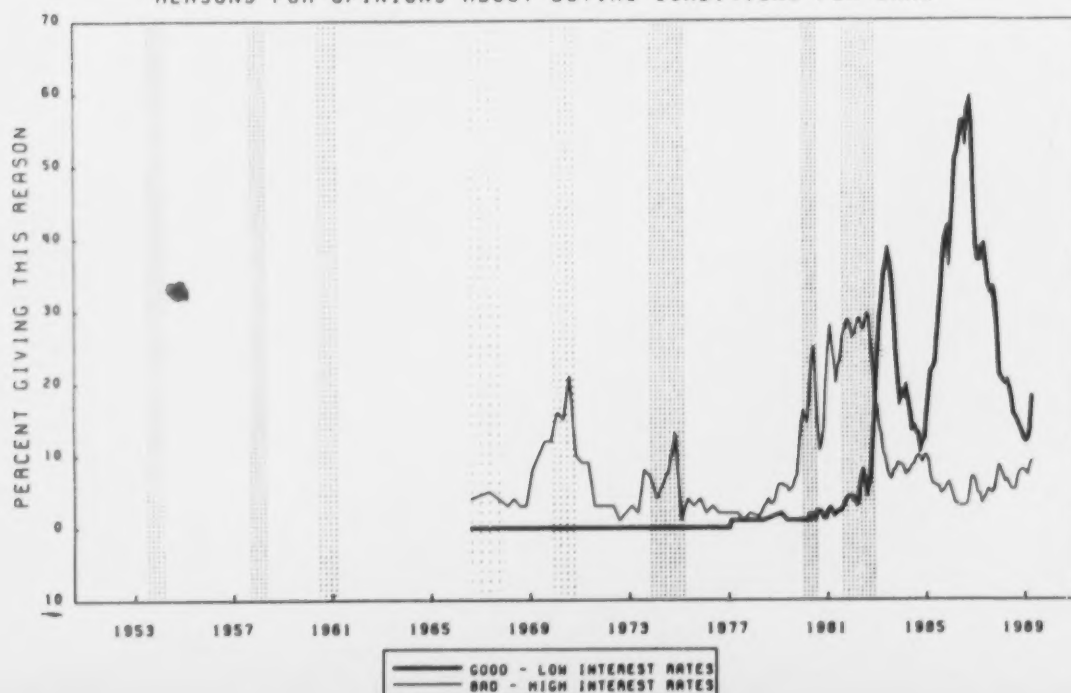


CHART 1 - RECENT CHANGES
THE INDEX OF CONSUMER SENTIMENT

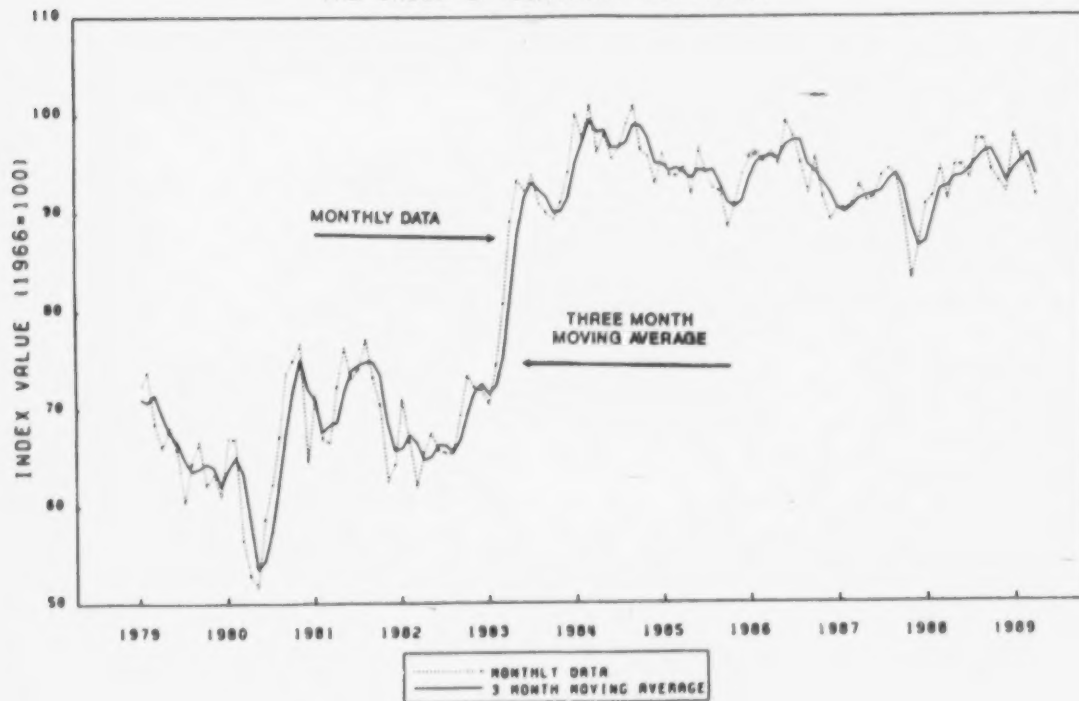
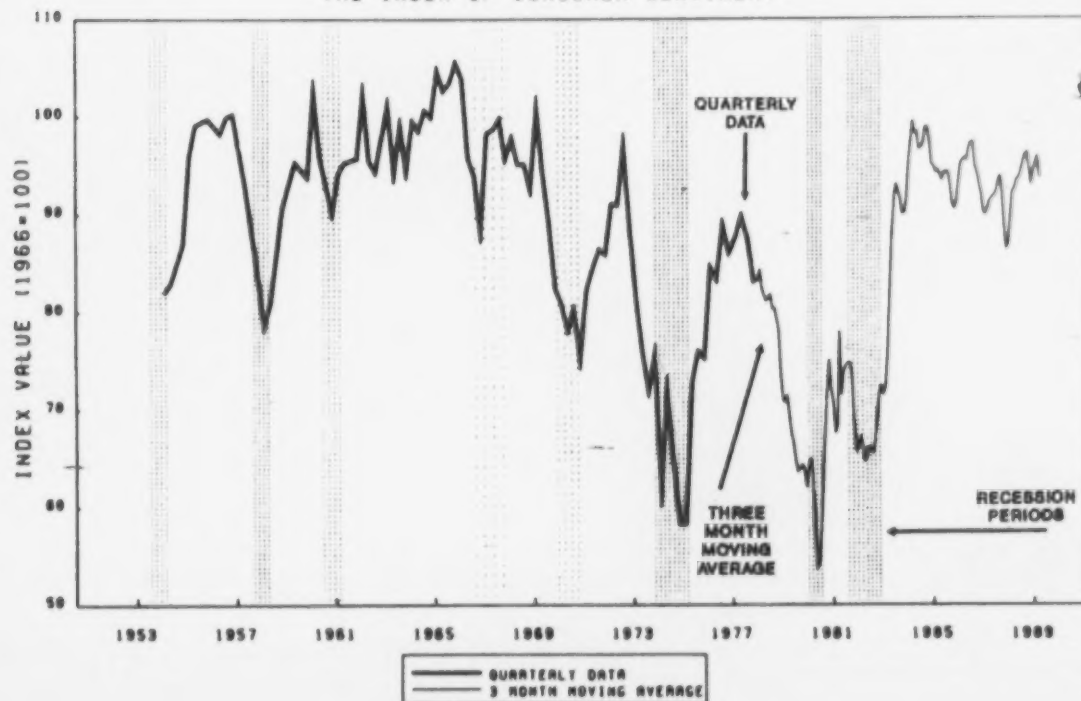


CHART 1 - HISTORICAL SERIES
THE INDEX OF CONSUMER SENTIMENT



DESCRIPTION OF CHARTS

DATA POINTS

QUARTERLY DATA: Data collected by surveys conducted at three month intervals before 1978.

MONTHLY DATA: Data collected by surveys conducted each month since January of 1978.

THREE-MONTH MOVING AVERAGE: Each point plotted represents the average of the three monthly observations ending at the date plotted.

TIME SCALE

Each tic mark on the time scale represents the month of January for the indicated year.

RECESSION PERIODS

November	1948 - October	1949
July	1953 - May	1954
August	1957 - April	1958
April	1960 - February	1961
June	1966 - November	1967*
December	1969 - November	1970
November	1973 - March	1975
January	1980 - July	1980
July	1981 - November	1982

Recession dates are determined by the National Bureau of Economic Research.

RECESSION PERIOD: Reduction in the national output of goods and services, generally lasting at least two quarters

***GROWTH RECESSION:** Retardation in the rate of growth of output and employment (usually followed by a recession and always the initial stage of a recession).

RECOMMENDED ALLOWANCE FOR SAMPLING ERROR OF A PERCENTAGE
(Sampling Error Allowance in Percentage Points¹)

For Estimated Percentage Near	Number of Interviews											
	100	200	300	400	500	750	1000	1250	1500	2000	2500	3000
1% or 99%	2.2	1.6	1.3	1.1	1.0	0.8	0.7	0.6	0.6	0.5	0.4	0.4
5% or 95%	4.9	3.5	2.8	2.4	2.2	1.8	1.5	1.4	1.3	1.1	1.0	0.9
10% or 90%	6.7	4.8	3.9	3.4	3.0	2.4	2.1	1.9	1.7	1.5	1.3	1.2
20% or 80%	9.0	6.3	5.2	4.5	4.0	3.3	2.8	2.5	2.3	2.0	1.8	1.6
30% or 70%	10.3	7.3	5.9	5.1	4.6	3.7	3.2	2.9	2.6	2.3	2.0	1.9
40% or 60%	11.0	7.8	6.3	5.5	4.9	4.0	3.5	3.1	2.8	2.4	2.2	2.0
50%	11.2	7.9	6.5	5.6	5.0	4.1	3.5	3.2	2.9	2.5	2.2	2.0

¹The figures in this table represent two standard errors. Hence, the chances are 95 in 100 that the true percentage lies within a range equal to the observed percentage, plus or minus the sampling error.



Surveys of Consumers

Richard T. Curtin, *Director*

Consumer Confidence Continues On Soft Landing Approach

Index Continues to Slip

The Index of Consumer Sentiment was 90.7 in the May 1989 survey. Although this was less than one index-point below the 91.5 recorded in April, it marked the fourth consecutive small monthly decline since the start of the year. The cumulative decline represents a significant loss from the 97.9 recorded in January 1989. Whereas the January 1989 Index figure was the highest recorded in more than a year, the May was the lowest since the end of 1987.

Despite the recent declines, the Index remains at relatively favorable levels. The May 1989 survey marked the completion of the sixth year since the Index first rose above 90, marking the longest period of favorable readings since the 1960s.

Since May of 1983 the Index has remained in a narrow range: the Index fell below 90 in only six of the 73 months and rose above 98 in only six of the 73 months. Moreover, the past six years has been marked by repeated shifts from the upper to lower ends of this narrow range.

It is clear that the recent trends in consumer sentiment indicate a cooling in demand. However, whether it signifies the start of a more persistent downward decline is not yet clear.

Among families with incomes of \$40,000 or more, the Index stood at 100.3 in the May survey, slightly above the 99.8 recorded in April and the 100.0 recorded in March, but below the January 1989 reading of 106.8.

Loss Centered in Expectations Component

The entire decline in the May survey was concentrated in the expectations component of the Index rather than in evaluations of current economic conditions. The Index of Consumer Expectations, the component of the Index of Leading Indicators, fell to 80.1 in May, down from 83.2 in April and 89.9 in January 1989. The loss since the start of the year has been the result of weakening prospects for the general economy.

In contrast to weakening expectations, evaluations of current economic conditions improved in the May survey. The Current Conditions Index rose to 107.1 in the May survey from 104.4 in April, and was just above the 106.5 recorded in May 1988. Consumers' evaluations of their personal financial situation have remained positive, showing little change since the start of the year.

Weakening Prospects for Economy Reported

Since the start of the year, consumers' evaluations of the strength of the national economy have weakened. In the May 1989 survey, the proportion of families that thought the national economy had improved during the past year fell to 44 percent from 56 percent at the start of the year.

For the year ahead, good times financially in the country as a whole were expected by 46 percent of all families in the May 1989 survey, down from 56 percent in January. The long term outlook for the economy also worsened, with the proportion of consumers that expected good times financially over the next five years falling to 36 percent in May 1989 from 45 percent in January.

Unemployment Expected To Remain Unchanged

Half of all families in the May 1989 survey (52 percent) expected the national unemployment rate to remain largely unchanged at its current level during the year ahead. Given that the unemployment rate is now at record lows, this is certainly a positive outlook. Nonetheless, compared with a year ago fewer families expected the unemployment rate to remain unchanged and more families expected it to increase during the year ahead. In the May 1989 survey, 35 percent expected increases in the national unemployment rate, up from 21 percent one year earlier.

Interest Rate Concerns Lessen

The May 1989 survey recorded the first substantial decline in interest rate expectations since the start of the year. Among all families in the May 1989 survey, 64 percent expected interest rate increases during the year ahead, down from the all-time peak of 75 percent recorded in April. Although this still leaves interest rate expectations at unfavorable levels, it is the first substantial break in the upward

trend.

Home Buying Attitudes Post Small Improvement

Favorable attitudes toward buying conditions for homes were held by 61 percent of all families in the May 1989 survey, up somewhat from the 58 percent recorded one month earlier but well below the 72 percent recorded one year earlier.

The small May improvement was due to more favorable perceptions of home prices. Favorable references to current home prices were made by 22 percent of all families in May, up from 17 percent in April, while complaints about high home prices fell to 13 from 16 percent one month earlier.

Changing perceptions of interest rate trends were reflected in fewer consumers mentioning the advantage of borrowing in advance of rising interest rates, falling to 15 in May from 20 percent in April. Thus the initial reactions of consumers to interest rate declines have a negative impact on home buying attitudes, as consumers are more likely to postpone purchases in anticipation of further declines.

Vehicle Buying Attitudes

Attitudes toward buying conditions for vehicles weakened slightly in the May survey. The recent round of price and interest rate discounts offered by vehicle manufacturers had only a small and short-lived impact. The proportion of families holding favorable vehicle buying attitudes slid back to 63 percent in May from 65 percent in April. References to the availability of price discounts fell to 29 percent in May from 32 percent in April, while mentions of interest rate discounts fell to 23 from 25 percent. Overall, vehicle buying attitudes in the May 1989 survey were nearly identical to those recorded a year earlier.

The reaction of consumers to the recent round of price and interest rate discounts indicates the

declining influence of these sales incentives. In part this is due to the expectation that such discounts will be more or less continuously available.

Buying Conditions for Durables

Favorable attitudes toward buying conditions for furniture, appliances, and home electronic goods were held by 73 percent of all families in the May 1989 survey, down from 75 percent one month earlier and 79 percent one year earlier. The small declines recorded during the past year still leave these buying attitudes at very favorable levels. When asked to explain their view, fewer families mentioned the availability of price discounts on these large household durables.

Personal Finances

The May survey recorded mixed changes in consumer's evaluations of their personal finances. Consumers' evaluations of their current financial situation improved somewhat, while prospects for future changes in their financial situation dimmed. Both changes, however, were relatively small.

Among all families, 45 percent reported that their financial situation had improved during the past year, up from 42 percent one month earlier and 40 percent one year earlier. The small recent improvement was due to less frequent complaints that rising prices had lowered their standard of living (12 percent in May, down from 16 percent in April).

The proportion of families that expected their financial situation to improve during the year ahead slipped to 39 percent in May from 41 percent in April, but remained above the 36 percent recorded one year earlier. The most common expectation was that their personal financial situation would remain largely unchanged during the year ahead, reported by 45 percent of all families in the May 1989 survey. Although just

14 percent of all families expected their finances to worsen in the May 1989 survey, this was up from 11 percent one month earlier and 9 percent one year earlier.

Inflation Fears Mount

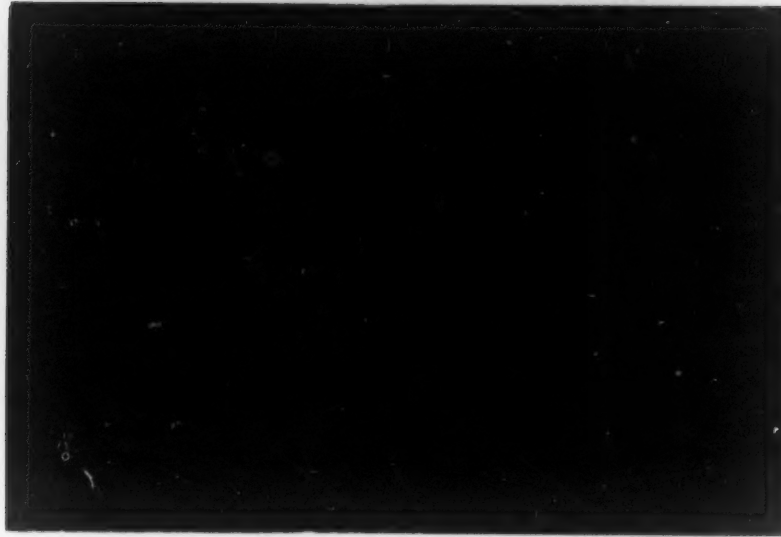
In the May 1989 survey, consumers expected an annual rate of inflation of 5.8% during the year ahead, up sharply from the 5.0% recorded in April and the 4.9% recorded in May of 1988. The May 1989 reading of 5.8% was the highest expected inflation rate recorded in more than five years.

* * *

The May 1989 survey included 503 completed interviews conducted between May 1 and May 26, 1989.

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SURVEYS OF CONSUMERS



Institute for Social Research

SURVEYS OF CONSUMERS

MAY 1989

The April 1989 survey was the 250th in a series of Surveys of Consumers conducted by the Survey Research Center at The University of Michigan. Initiated in 1946, these periodic surveys provide regular assessments of consumer attitudes and expectations, and are used to evaluate economic trends and prospects. The surveys are designed to explore why changes in consumer attitudes and expectations occur, and how these changes influence consumer spending and saving decisions.

All surveys are subject to sampling error because not all members of the population are interviewed. Most results for the total sample will differ by no more than 5 percentage points in either direction from what would have been obtained by using the same methods on the entire population. See the back of this book for sampling error information.

While every effort is made to accurately measure consumer attitudes and expectations, factors other than sampling may also affect the accuracy of these (and other) findings. These factors may include effects of the question wording, the ability of respondents to articulate answers and opinions, refusal to participate in the survey, and incomplete coverage of the population. There are no standard measures of these effects, but their presence should be acknowledged when using these and all other survey data. While measurement effects are present in all surveys, a noted advantage of time-series data is that the non-sampling influences remain relatively constant across samples.

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26.	Selected Reasons for Opinions About Buying Conditions for Cars

CHART 1 - RECENT CHANGES
THE INDEX OF CONSUMER SENTIMENT

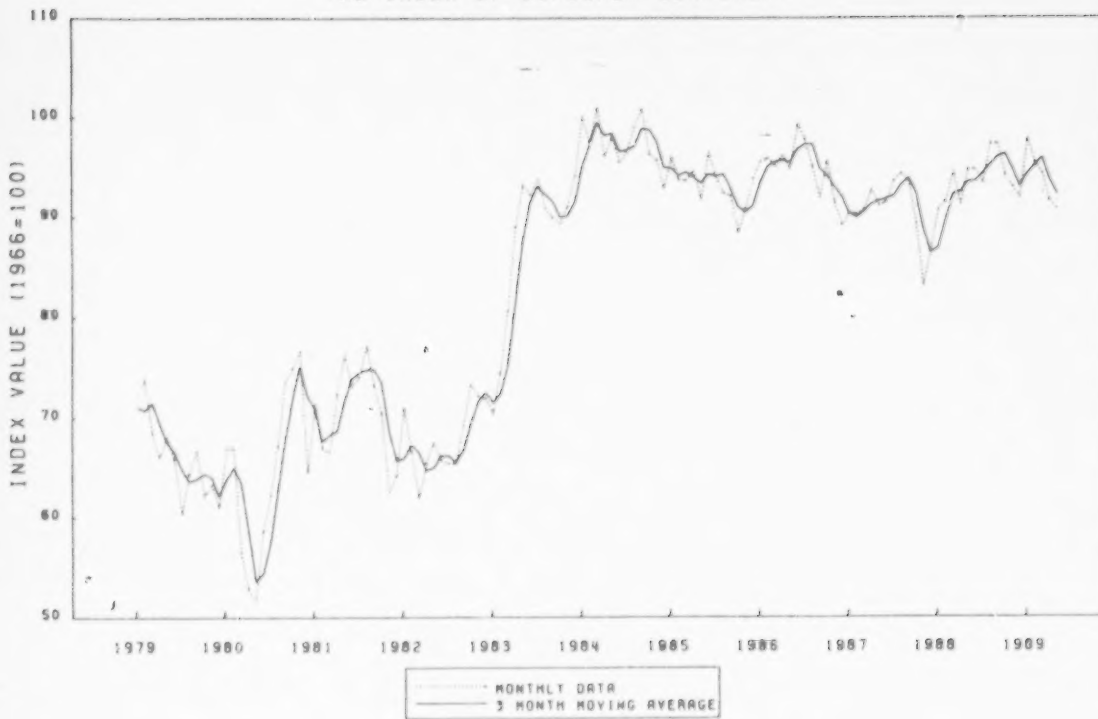


CHART 1 - HISTORICAL SERIES
THE INDEX OF CONSUMER SENTIMENT

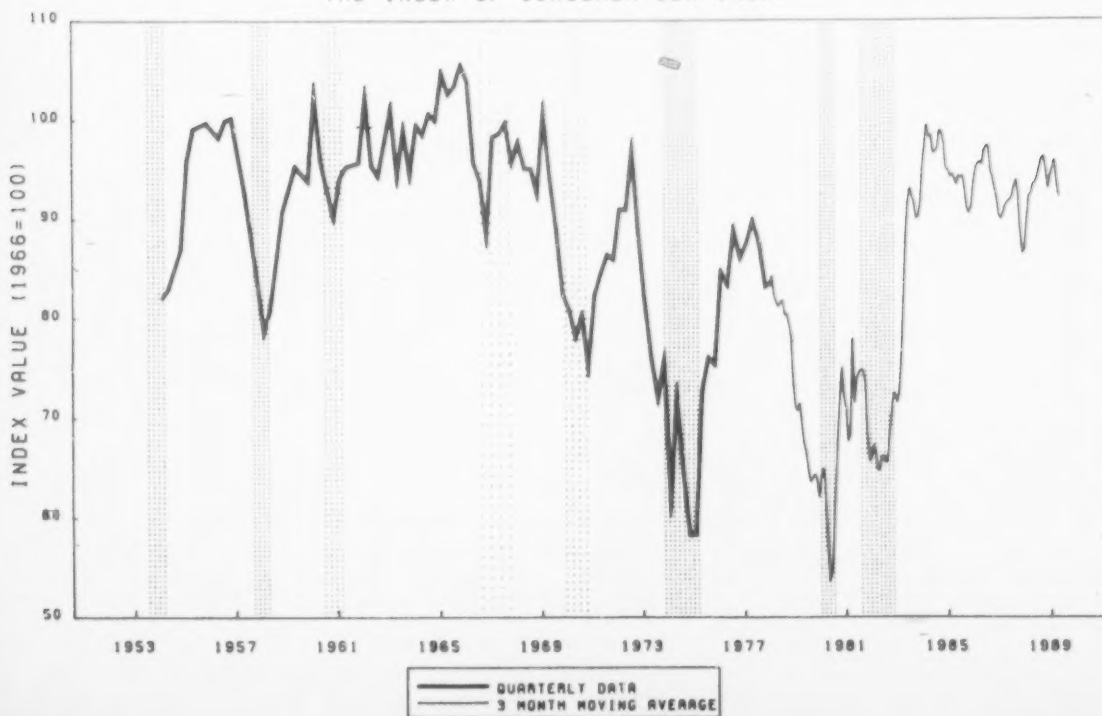


TABLE 1
THE INDEX OF CONSUMER SENTIMENT

DATE OF SURVEY		All families	Families with incomes over \$30,000	Families with incomes over \$40,000
May	1986	94.8	105.5	109.9
June	1986	99.3	110.6	112.4
July	1986	97.7	109.6	108.5
August	1986	94.9	105.0	106.6
September	1986	91.9	99.5	102.1
October	1986	95.6	102.8	105.5
November	1986	91.4	97.5	98.7
December	1986	89.1	98.7	98.3
January	1987	90.4	101.2	104.0
February	1987	90.2	103.6	103.6
March	1987	90.8	97.8	96.1
April	1987	92.8	98.5	103.1
May	1987	91.1	97.7	99.2
June	1987	91.5	102.9	102.9
July	1987	93.7	102.5	104.0
August	1987	94.4	104.4	109.1
September	1987	93.6	100.6	104.3
October	1987	89.3	99.9	101.8
November	1987	83.1	87.7	90.5
December	1987	86.8	94.5	96.1
January	1988	90.8	99.0	99.9
February	1988	91.6	98.1	100.8
March	1988	94.6	103.7	104.6
April	1988	91.2	99.1	99.6
May	1988	94.8	106.6	108.3
June	1988	94.7	102.3	102.7
July	1988	93.4	100.5	103.9
August	1988	97.4	105.1	104.2
September	1988	97.3	102.8	105.4
October	1988	94.1	103.0	103.7
November	1988	93.0	102.0	101.0
December	1988	91.9	97.0	99.5
January	1989	97.9	108.4	106.8
February	1989	95.4	104.6	109.6
March	1989	94.3	98.6	100.0
April	1989	91.5	99.1	99.8
May	1989	90.7	100.6	100.3

CHART 2A - HISTORICAL SERIES
INDEX OF CONSUMER SENTIMENT WITHIN REGION SUBGROUPS

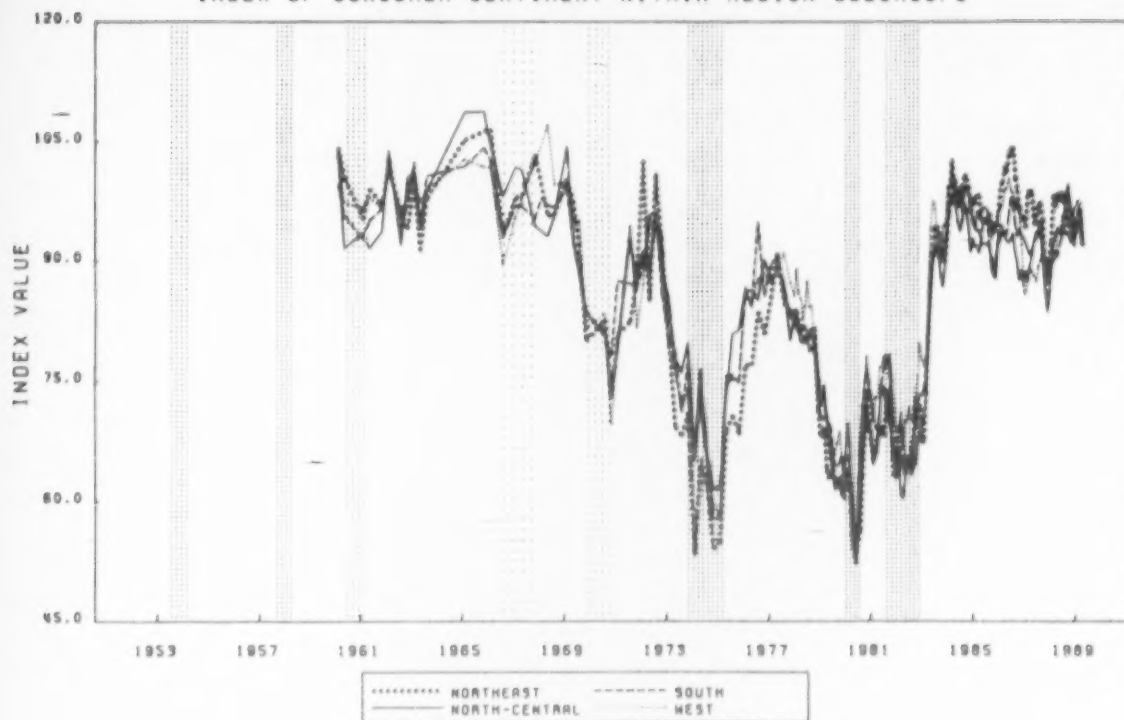


CHART 2B - HISTORICAL SERIES
INDEX OF CONSUMER SENTIMENT WITHIN AGE SUBGROUPS

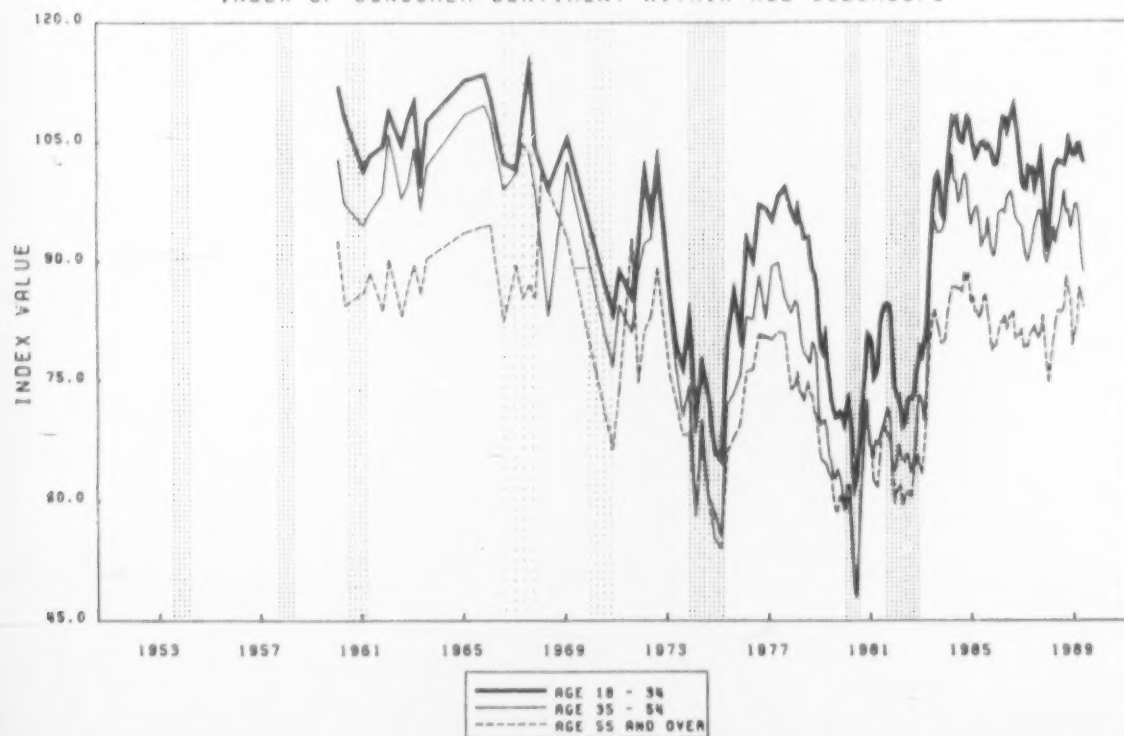


TABLE 2

INDEX OF CONSUMER SENTIMENT WITHIN REGION AND AGE SUBGROUPS

DATE OF SURVEY	CENSUS REGION				AGE OF RESPONDENT		
	North East	North Central	South	West	18-34	35-54	55+
May 1986	101.2	90.1	93.5	98.8	104.9	99.9	78.3
June 1986	106.2	94.1	98.5	102.7	112.7	97.9	86.6
July 1986	103.9	93.4	101.7	94.7	108.2	98.6	84.5
August 1986	102.5	92.6	90.5	98.2	107.9	95.2	80.1
September 1986	94.6	87.0	91.9	95.8	106.3	92.4	76.1
October 1986	99.1	90.0	96.5	99.3	102.5	97.3	85.7
November 1986	95.8	85.6	93.2	92.3	99.5	94.2	80.4
December 1986	91.8	90.4	89.5	84.0	98.0	91.3	78.3
January 1987	98.1	85.9	96.0	83.9	99.9	91.2	78.4
February 1987	92.4	89.5	90.7	89.2	99.1	89.2	81.5
March 1987	104.6	86.3	87.5	91.2	106.4	89.3	77.7
April 1987	99.4	91.7	93.7	87.2	99.0	95.1	83.5
May 1987	91.3	92.9	92.1	87.1	99.5	92.8	82.1
June 1987	92.5	92.2	91.5	89.7	99.0	95.5	80.0
July 1987	100.1	95.7	93.8	85.2	103.0	97.8	80.2
August 1987	99.0	91.0	95.2	93.2	103.3	95.8	80.8
September 1987	92.2	94.7	94.9	91.5	104.1	95.4	82.6
October 1987	93.8	87.2	88.3	89.1	92.0	89.9	86.2
November 1987	83.9	79.6	87.9	79.4	91.7	86.6	70.8
December 1987	83.4	83.6	90.4	89.2	94.1	92.9	73.6
January 1988	99.8	91.3	87.6	88.5	98.3	93.6	80.1
February 1988	93.7	92.1	92.8	86.3	102.5	90.3	79.9
March 1988	101.2	92.9	91.6	95.3	103.5	98.9	80.0
April 1988	94.9	93.9	88.6	89.0	100.0	87.5	86.6
May 1988	99.1	95.5	91.1	97.3	104.2	95.4	84.7
June 1988	98.1	91.2	95.9	95.2	103.1	102.0	79.5
July 1988	98.3	92.0	91.8	94.0	99.6	93.0	86.6
August 1988	95.7	100.9	94.4	98.5	103.6	101.7	86.3
September 1988	95.2	101.9	93.3	97.6	106.1	93.3	91.4
October 1988	91.8	96.1	92.9	96.6	105.8	94.6	82.0
November 1988	95.8	90.6	90.5	98.9	100.4	94.3	82.2
December 1988	90.8	90.2	96.1	88.0	103.7	97.1	73.9
January 1989	96.9	94.2	99.9	102.2	105.8	100.3	86.7
February 1989	103.5	99.2	88.8	93.6	104.3	94.2	86.7
March 1989	91.5	95.8	96.1	92.2	103.9	91.8	87.0
April 1989	83.9	94.6	93.4	90.3	101.0	87.5	83.8
May 1989	99.9	86.7	87.3	94.3	102.2	86.9	81.9

CHART 3 - RECENT CHANGES
CURRENT AND EXPECTED COMPONENTS



CHART 3 - HISTORICAL SERIES
CURRENT AND EXPECTED COMPONENTS

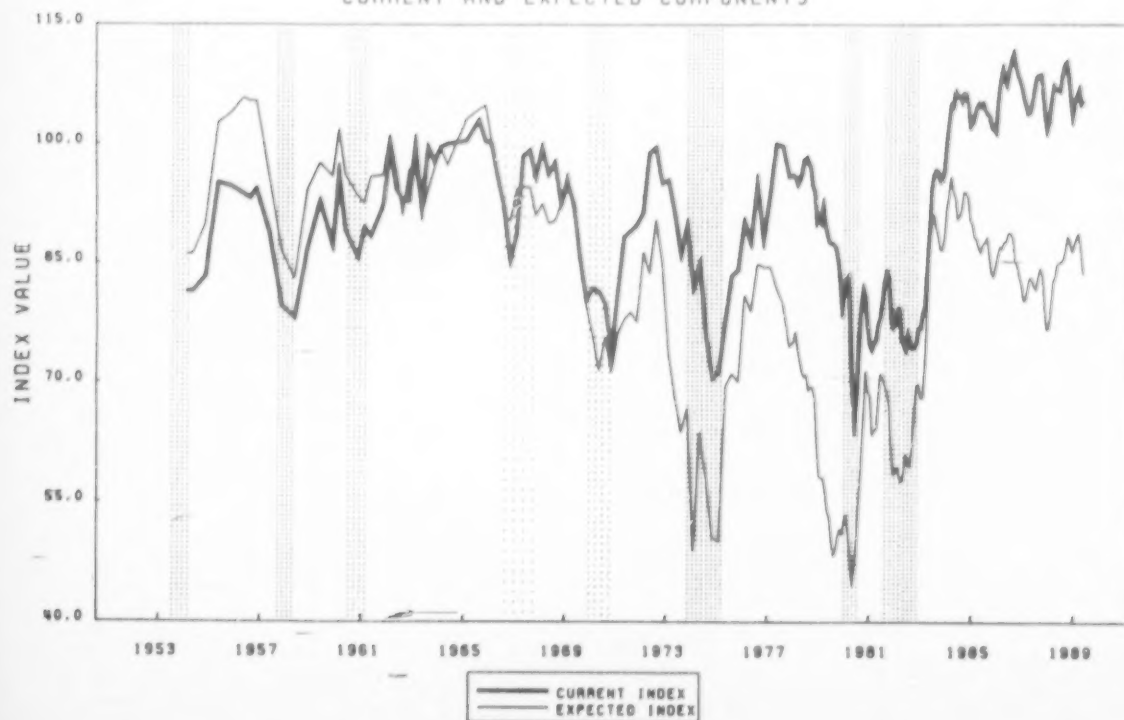


TABLE 3

COMPONENTS OF THE INDEX OF CONSUMER SENTIMENT

		INDEX COMPONENTS +							
		Personal finances		Business conditions		Buying conds.	Current Index	Expected Index	
		Current	Expected	12 months	5 years				
DATE OF SURVEY		(1)	(2)	(3)	(4)	(5)	(1,5)	(2,3,4)	
May 1986		117	129	131	92	158	106.2	87.5	
June 1986		124	127	136	100	170	113.3	90.3	
July 1986		126	130	131	94	165	112.1	88.5	
August 1986		121	128	123	94	161	108.9	85.9	
September 1986		120	127	115	84	161	108.3	81.3	
October 1986		120	127	124	99	162	108.9	87.1	
November 1986		121	121	120	87	155	106.7	81.6	
December 1986		116	127	104	83	158	105.8	78.3	
January 1987		120	130	117	77	152	105.1	80.9	
February 1987		115	126	117	84	153	103.7	81.6	
March 1987		114	122	121	92	152	102.5	83.3	
April 1987		116	127	116	97	158	105.5	84.7	
May 1987		117	121	114	89	161	107.4	80.6	
June 1987		120	122	113	89	161	108.1	80.8	
July 1987		123	123	118	94	162	109.9	83.3	
August 1987		122	127	125	93	157	107.8	85.8	
September 1987		119	124	122	92	162	108.3	84.2	
October 1987		118	128	105	90	149	103.1	80.4	
November 1987		115	118	93	80	142	99.3	72.7	
December 1987		119	120	98	89	147	102.7	76.7	
January 1988		122	131	110	84	154	106.2	80.9	
February 1988		122	130	108	90	155	106.6	81.9	
March 1988		127	133	114	96	156	109.1	85.2	
April 1988		117	125	117	89	154	104.8	82.4	
May 1988		111	127	125	98	165	106.5	87.3	
June 1988		119	129	121	95	163	108.6	85.7	
July 1988		120	128	106	96	167	110.7	82.3	
August 1988		127	127	125	105	160	110.8	88.8	
September 1988		127	133	125	102	157	109.4	89.5	
October 1988		114	124	129	97	158	105.0	87.0	
November 1988		112	128	122	97	156	103.3	86.3	
December 1988		114	127	119	98	150	102.0	85.5	
January 1989		121	131	128	103	165	110.3	89.9	
February 1989		120	130	128	99	154	105.7	88.8	
March 1989		116	131	123	98	156	104.8	87.6	
April 1989		113	130	113	91	158	104.4	83.2	
May 1989		121	125	107	89	157	107.1	80.1	

(1) See Table 4.

(2) See Table 6.

(3) See Table 15.

(4) See Table 16.

(5) See Table 21.

+ : Percent saying "GOOD TIMES" (or "BETTER"), minus percent saying "BAD TIMES" (or "WORSE"), plus 100.

— CHART 4 - RECENT CHANGES
CURRENT FINANCIAL SITUATION COMPARED WITH A YEAR AGO

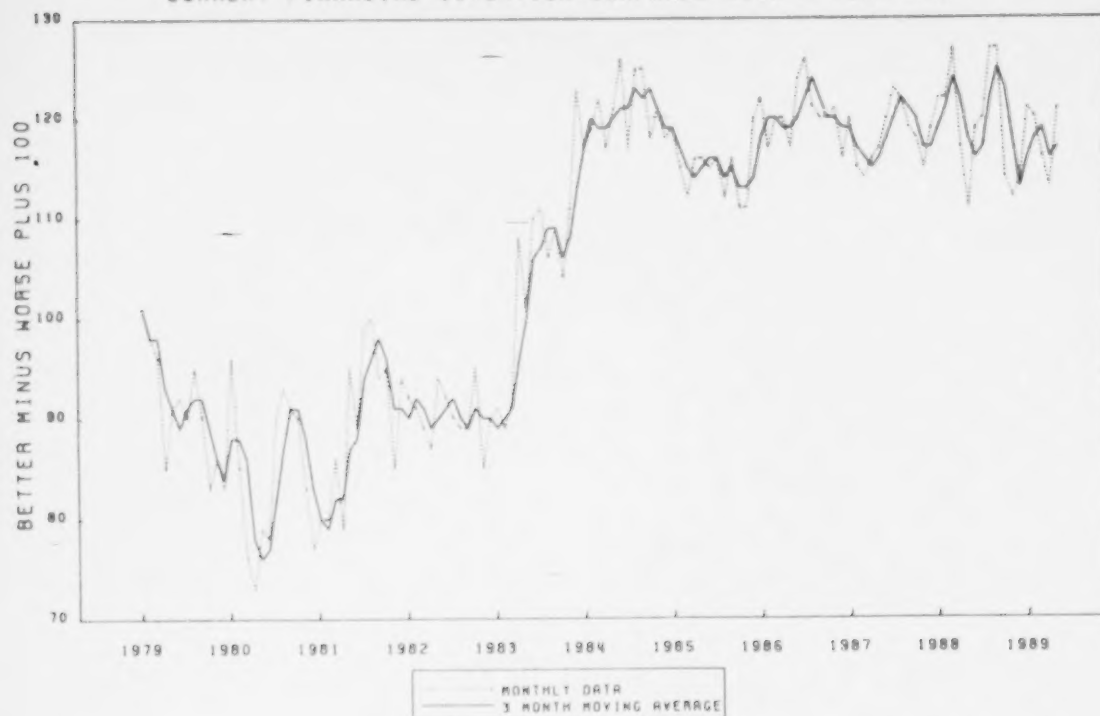


CHART 4 - HISTORICAL SERIES
CURRENT FINANCIAL SITUATION COMPARED WITH A YEAR AGO

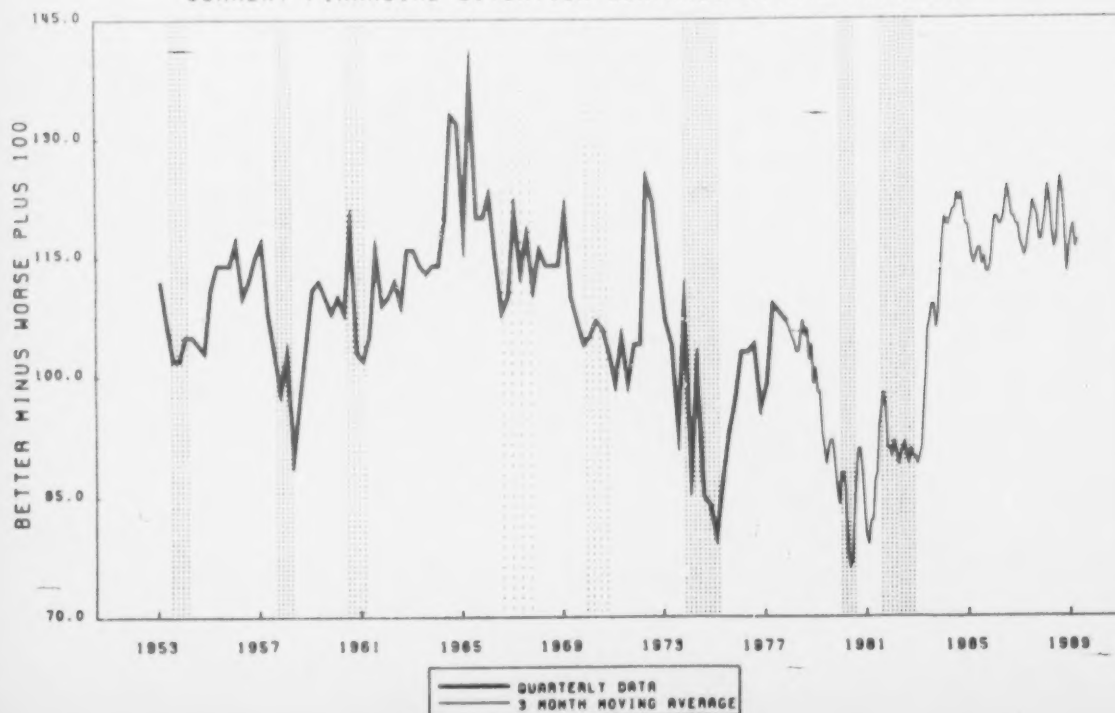


TABLE 4

CURRENT FINANCIAL SITUATION COMPARED TO A YEAR AGO

	May 1988	June 1988	July 1988	Aug. 1988	Sept 1988	Oct. 1988	Nov. 1988	Dec. 1988	Jan. 1989	Feb. 1989	Mar. 1989	Apr. 1989	May 1989
BETTER OFF	40%	43%	45%	50%	49%	42%	41%	39%	44%	44%	42%	42%	45%
SAME	31	32	29	26	28	30	30	36	33	31	32	29	31
WORSE OFF	29	24	25	23	22	28	29	25	23	24	26	29	24
DK,NA	*	1	1	1	1	*	*	*	*	1	*	*	*
TOTAL	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%
CASES	500	500	501	500	500	501	508	500	501	500	502	500	503

The question was: "We are interested in how people are getting along financially these days. Would you say that you (and your family living there) are better off or worse off financially than you were a year ago?"

* : Less than half of one percent.

CHART 5A - HISTORICAL SERIES
REASONS FOR OPINIONS ABOUT PERSONAL FINANCIAL SITUATION

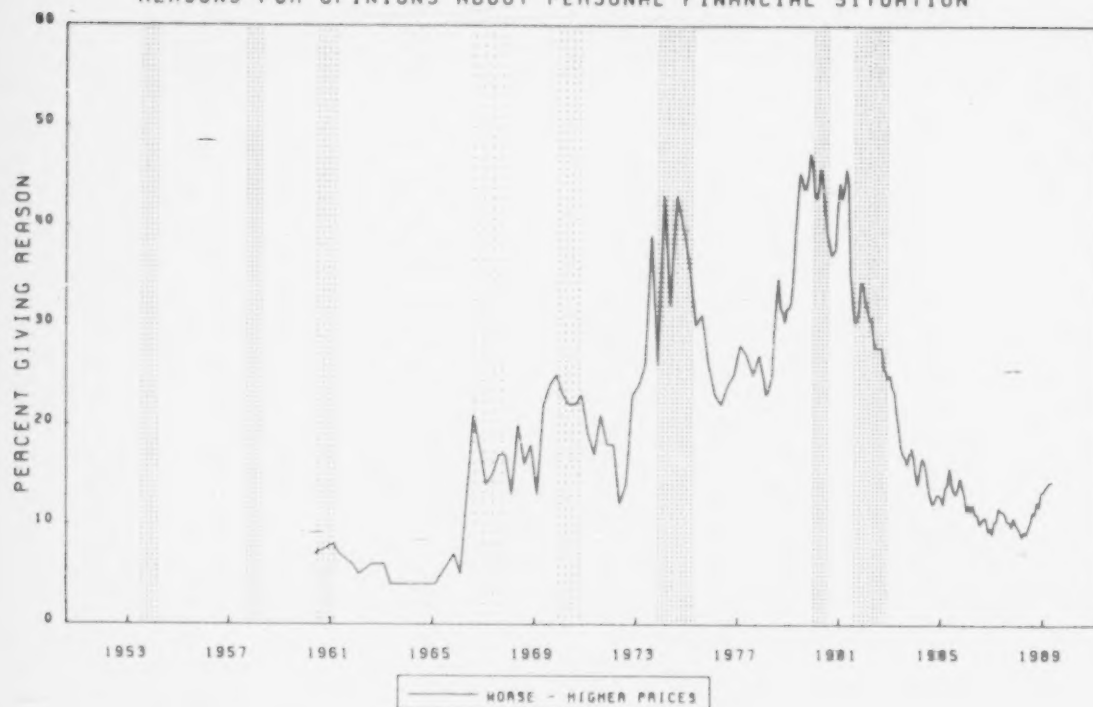


CHART 5B - HISTORICAL SERIES
REASONS FOR OPINIONS ABOUT PERSONAL FINANCIAL SITUATION

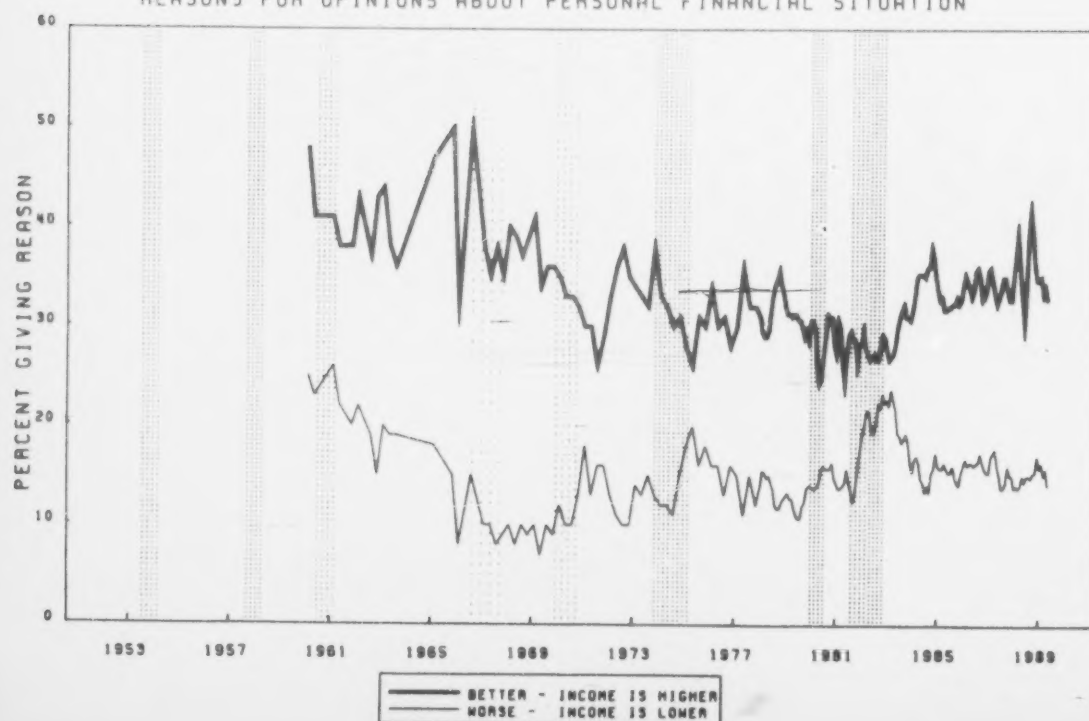


TABLE 5

SELECTED REASONS FOR OPINIONS ABOUT PERSONAL FINANCIAL SITUATION +

	May 1988	June 1988	July 1988	Aug. 1988	Sept 1988	Oct. 1988	Nov. 1988	Dec. 1988	Jan. 1989	Feb. 1989	Mar. 1989	Apr. 1989	May 1989
BETTER OFF THAN YEAR AGO:													
Income is higher	29%	32%	40%	45%	40%	34%	35%	35%	34%	36%	30%	36%	32%
WORSE OFF THAN YEAR AGO:													
Income is lower	16	13	16	16	12	18	16	17	14	18	13	16	13
Higher prices	10	10	11	13	9	15	11	14	15	12	15	16	12

Responses to the query: "Why do you say so?" following the question on Table 4.

+ : May add to more than 100% due to multiple mentions.

CHART 6 - RECENT CHANGES
EXPECTED CHANGE IN FINANCIAL SITUATION



CHART 6 - HISTORICAL SERIES
EXPECTED CHANGE IN FINANCIAL SITUATION

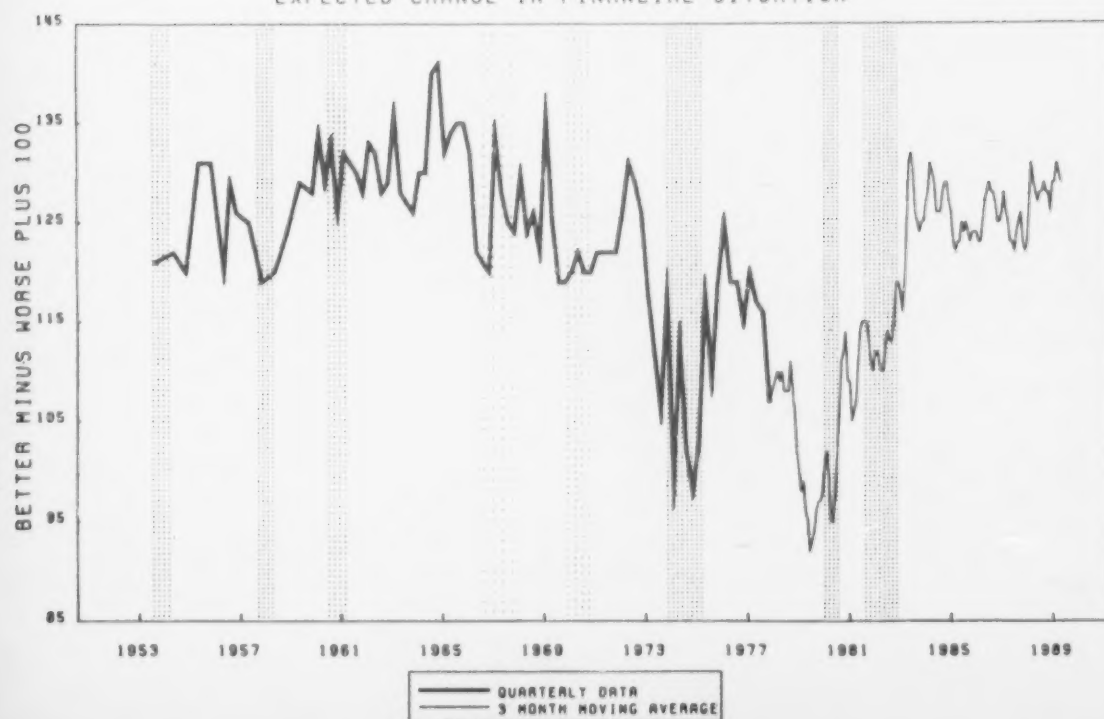


TABLE 6

EXPECTED CHANGE IN FINANCIAL SITUATION

	May 1988	June 1988	July 1988	Aug. 1988	Sept 1988	Oct. 1988	Nov. 1988	Dec. 1988	Jan. 1989	Feb. 1989	Mar. 1989	Apr. 1989	May 1989
BETTER OFF	36%	39%	38%	36%	41%	36%	37%	39%	41%	40%	40%	41%	39%
SAME	52	48	48	49	47	48	49	46	47	46	49	46	45
WORSE OFF	9	10	10	9	8	12	9	12	10	10	9	11	14
DK,NA	3	3	4	6	4	4	5	3	2	4	2	2	2
TOTAL	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%
CASES	500	500	501	500	500	501	508	500	501	500	502	500	503

The question was: "Now looking ahead--do you think that a year from now you (and your family living there) will be better off financially, or worse off, or just about the same as now?"

CHART 7 - RECENT CHANGES
TREND IN PERSONAL FINANCIAL SITUATION



CHART 7 - HISTORICAL SERIES
TREND IN PERSONAL FINANCIAL SITUATION

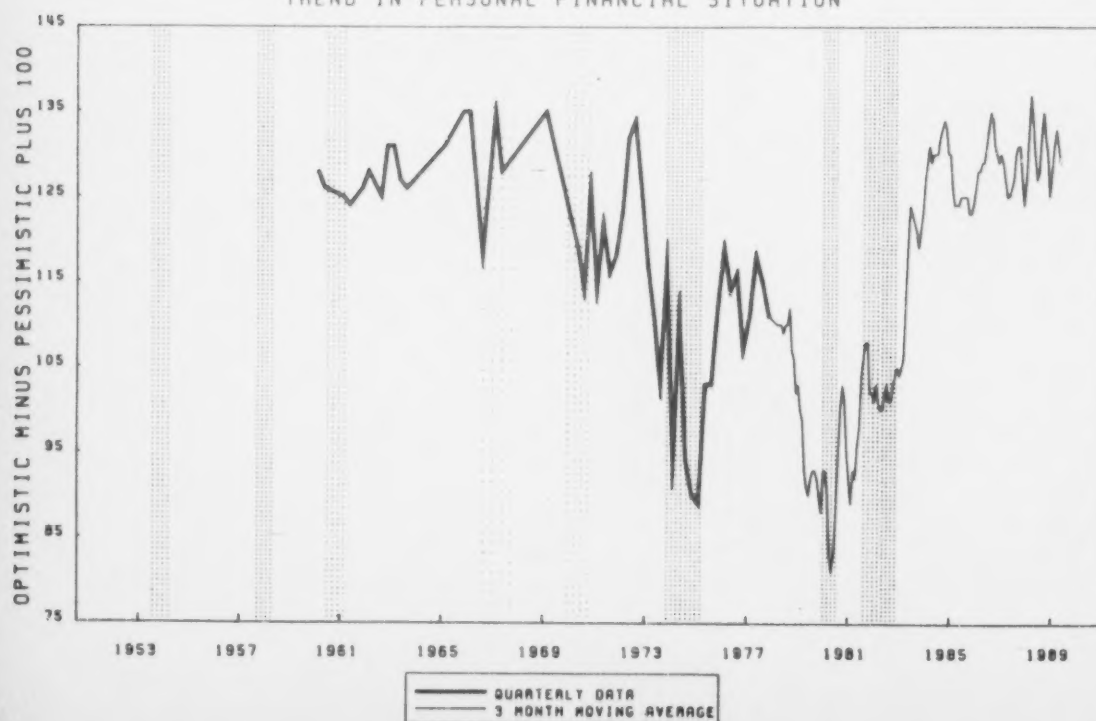


TABLE 7

TREND IN PERSONAL FINANCIAL SITUATION

	May 1988	June 1988	July 1988	Aug. 1988	Sept 1988	Oct. 1988	Nov. 1988	Dec. 1988	Jan. 1989	Feb. 1989	Mar. 1989	Apr. 1989	May 1989
PERSONAL FINANCIAL PROGRESS:													
Continuous increase (a)	19%	24%	19%	25%	25%	20%	21%	22%	23%	22%	20%	21%	21%
Intermittant increase (b)	24	25	31	26	28	25	25	23	29	29	29	27	31
Remain unchanged (c)	21	19	16	16	17	18	18	20	18	17	18	17	14
Intermittant decline (d)	17	16	13	14	10	15	16	16	13	12	15	13	18
Continuous decline (e)	4	4	4	4	3	6	4	4	5	5	4	7	4
Mixed change (f)	13	9	13	8	12	11	11	11	10	11	12	13	9
DK,NA	2	3	4	7	5	5	5	4	2	4	2	2	3
TOTAL	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%
CASES	500	500	501	500	500	501	508	500	501	500	502	500	503

Combination of the responses to the questions on Tables 4 and 6.

Key: (a) Better off financially than a year ago/Better off a year from now

(b) Better/Same or Same/Better

(c) Same/Same

(d) Worse/Same or Same/Worse

(e) Worse/Worse

(f) Worse/Better or Better/Worse

CHART 8 - RECENT CHANGES
 MEDIAN EXPECTED CHANGE IN FAMILY INCOME

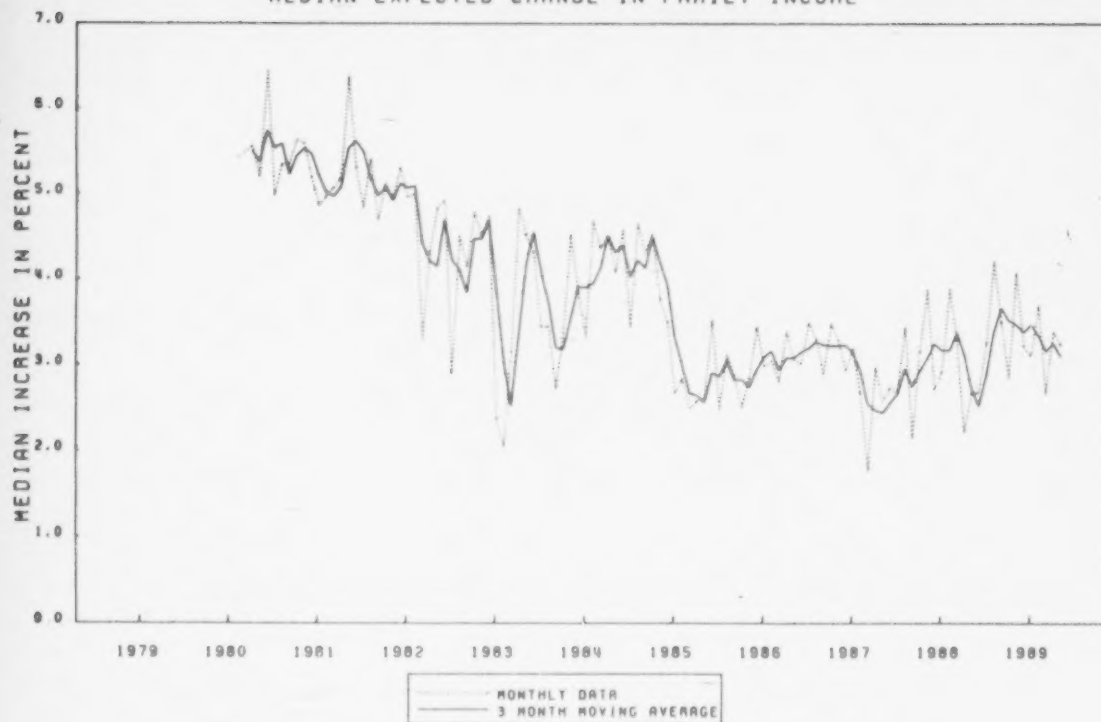


CHART 8 - HISTORICAL SERIES
 MEDIAN EXPECTED CHANGE IN FAMILY INCOME

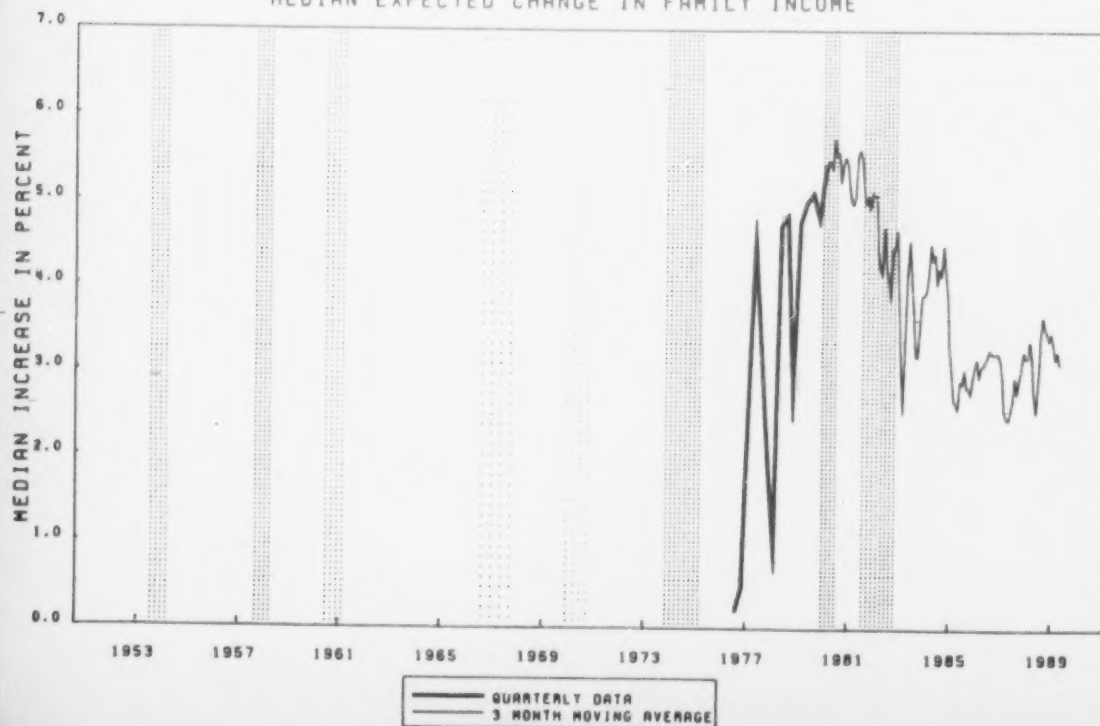


TABLE 8

EXPECTED FAMILY INCOME CHANGE DURING THE NEXT 12 MONTHS

	May 1988	June 1988	July 1988	Aug. 1988	Sept 1988	Oct. 1988	Nov. 1988	Dec. 1988	Jan. 1989	Feb. 1989	Mar. 1989	Apr. 1989	May 1989
EXPECT INCREASE:													
1-4%	15%	15%	18%	14%	16%	16%	18%	21%	15%	17%	16%	17%	16%
5%	12	9	10	14	10	12	11	11	9	15	10	12	9
6-9%	7	7	10	9	8	6	9	7	10	7	7	7	7
10-24%	13	15	14	17	16	15	15	15	14	15	14	15	17
25% or more	9	6	7	5	8	6	7	6	8	7	7	7	8
DK how much up	2	5	5	6	6	5	7	4	4	5	5	5	4
EXPECT SAME	28	28	24	25	25	27	20	22	27	22	27	23	26
EXPECT DOWN	13	13	11	9	10	12	11	13	13	11	14	12	12
DK, NA	1	2	1	1	1	1	2	1	*	1	*	2	1
TOTAL	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%
CASES	500	500	501	500	500	501	508	500	501	500	502	500	503

The questions were: "During the next 12 months, do you expect your (family) income to be higher or lower than during the past year?" and "By about what percent do you expect your (family) income to increase during the next 12 months?"

* : Less than half of one percent.

CHART 9 - RECENT CHANGES
INCOME OR PRICES UP MORE NEXT YEAR

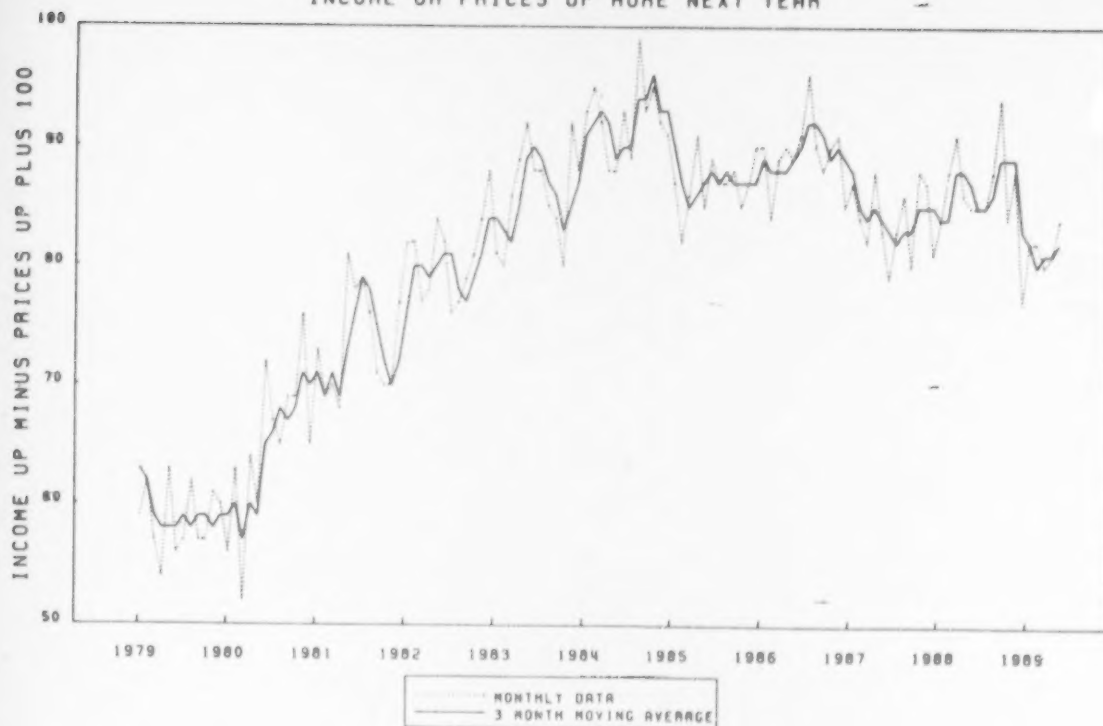


CHART 9 - HISTORICAL SERIES
INCOME OR PRICES UP MORE NEXT YEAR

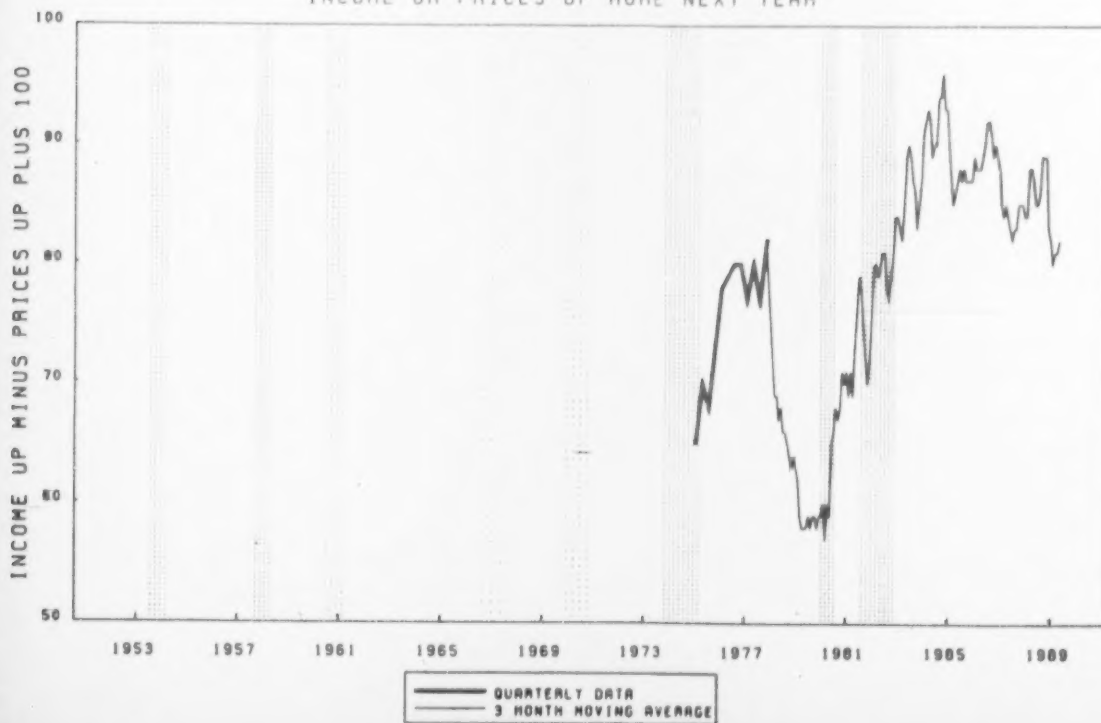


TABLE 9

EXPECTED CHANGE IN REAL FAMILY INCOME

	May 1988	June 1988	July 1988	Aug. 1988	Sept 1988	Oct. 1988	Nov. 1988	Dec. 1988	Jan. 1989	Feb. 1989	Mar. 1989	Apr. 1989	May 1989
INCOME UP MORE	19%	18%	19%	20%	25%	18%	21%	17%	19%	18%	17%	18%	22%
INCOME UP SAME	44	46	46	43	41	46	43	41	41	43	44	43	37
PRICES UP MORE	34	33	34	32	31	34	33	40	37	36	37	37	38
DK,NA	3	3	1	5	3	2	3	2	3	3	2	2	3
TOTAL	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%
CASES	500	500	501	500	500	501	508	500	501	500	502	500	503

The question was: "How about the next year or two--do you expect that your (family) income will go up more than prices will go up, about the same, or less than prices will go up?"

CHART 10 - RECENT CHANGES
NEWS HEARD OF RECENT CHANGES IN BUSINESS CONDITIONS

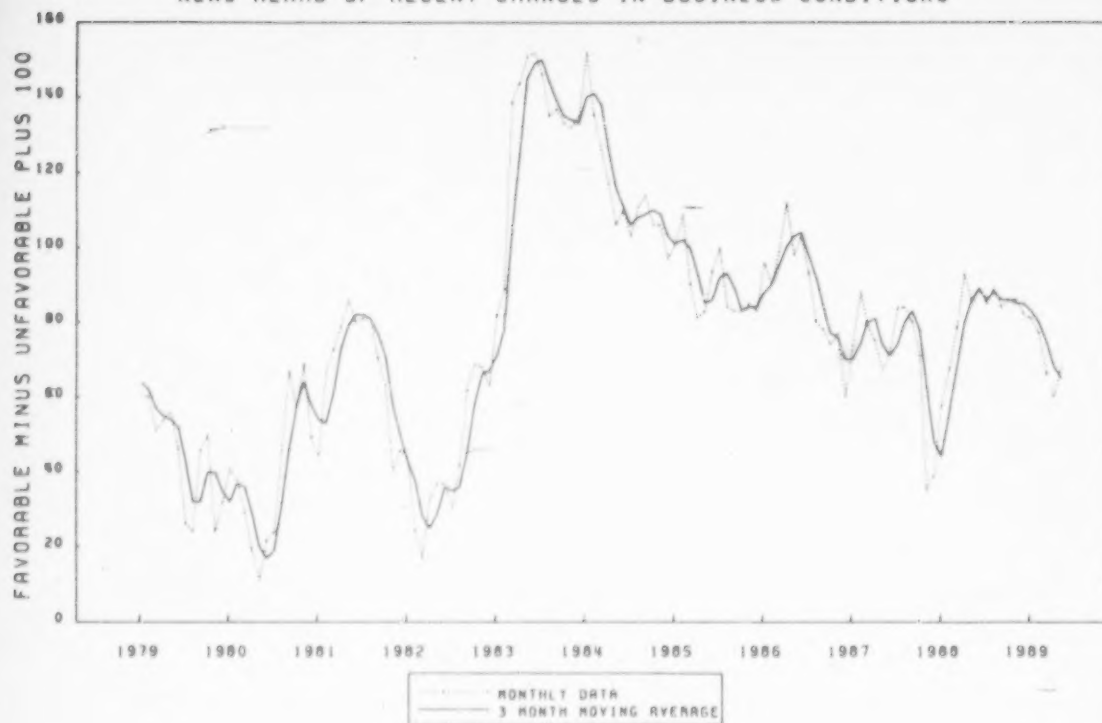


CHART 10 - HISTORICAL SERIES
NEWS HEARD OF RECENT CHANGES IN BUSINESS CONDITIONS

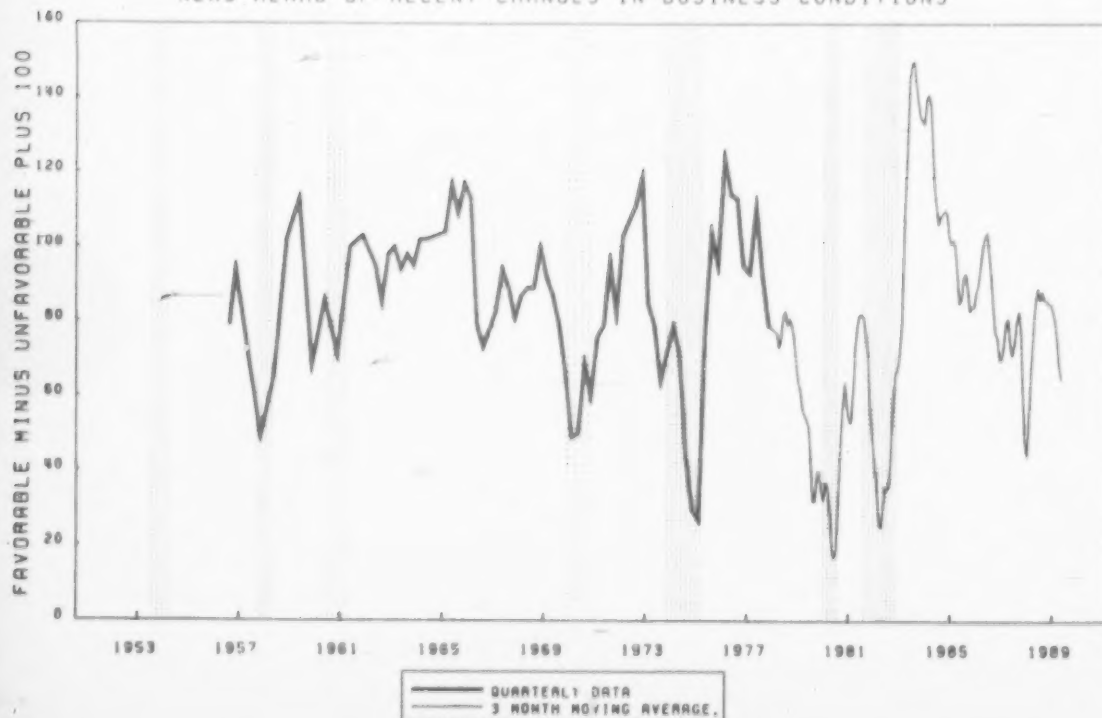


TABLE 10

NEWS HEARD OF RECENT CHANGES IN BUSINESS CONDITIONS +

	May 1988	June 1988	July 1988	Aug. 1988	Sept 1988	Oct. 1988	Nov. 1988	Dec. 1988	Jan. 1989	Feb. 1989	Mar. 1989	Apr. 1989	May 1989
FAVORABLE NEWS	33%	29%	29%	28%	32%	29%	25%	30%	24%	27%	22%	18%	22%
UNFAVORABLE NEWS	48	40	44	39	48	43	39	48	43	50	56	58	54
NO MENTIONS	44	50	50	53	46	52	54	50	55	48	49	48	48

The questions were: "During the last few months, have you heard of any favorable or unfavorable changes in business conditions?" and "What did you hear?"

+ : May add to more than 100% due to multiple mentions.

CHART 11A - HISTORICAL SERIES
TYPE OF NEWS HEARD ABOUT CHANGES IN BUSINESS CONDITIONS

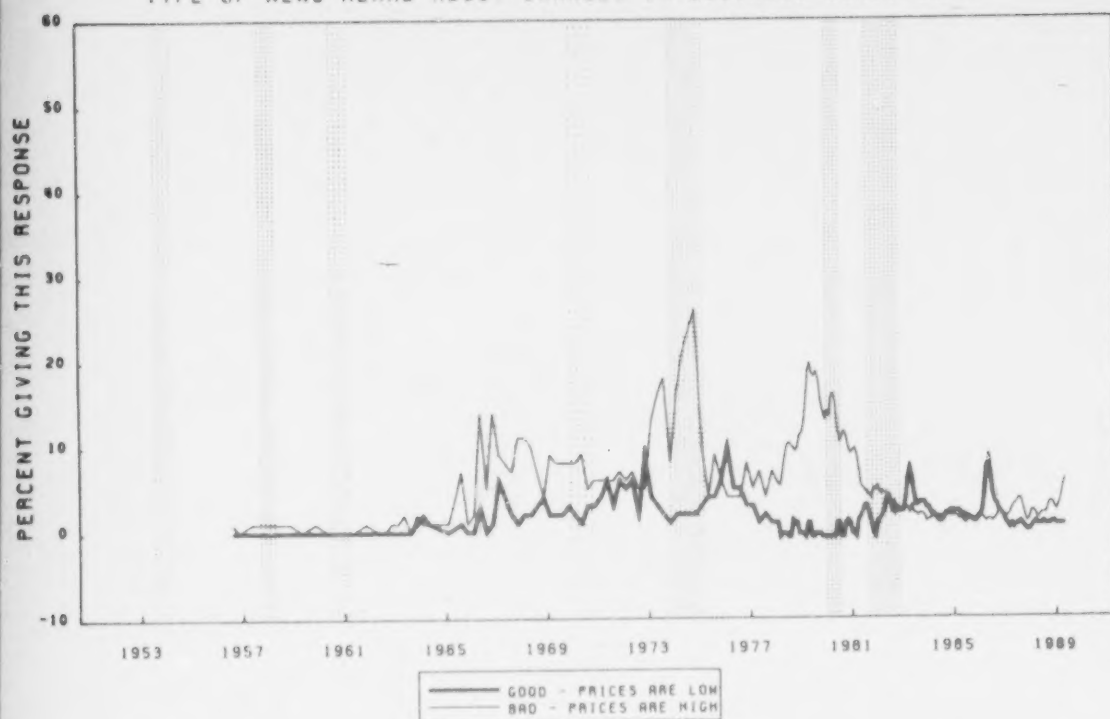


CHART 11B - HISTORICAL SERIES
TYPE OF NEWS HEARD ABOUT CHANGES IN BUSINESS CONDITIONS

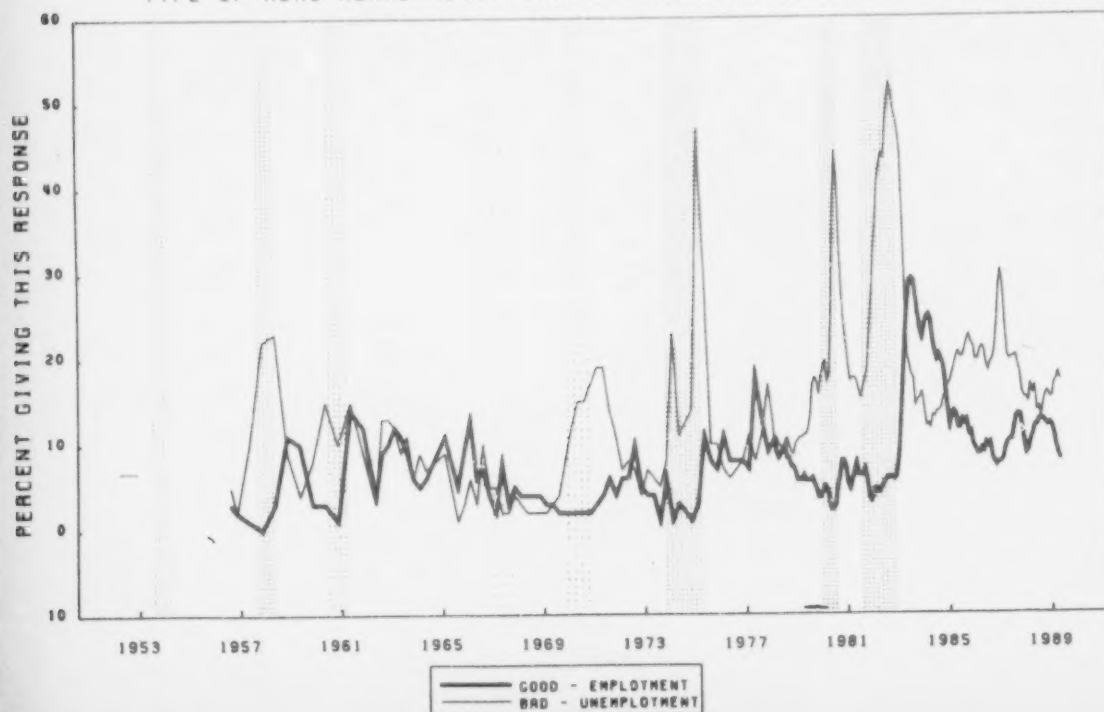


TABLE 11

SELECTED ITEMS OF
NEWS HEARD OF RECENT CHANGES IN BUSINESS CONDITIONS +

	May 1988	June 1988	July 1988	Aug. 1988	Sept 1988	Oct. 1988	Nov. 1988	Dec. 1988	Jan. 1989	Feb. 1989	Mar. 1989	Apr. 1989	May 1989
FAVORABLE NEWS:													
Government; elections	3%	2%	1%	2%	3%	2%	2%	4%	2%	5%	3%	1%	1%
Employment	14	11	13	14	11	12	13	12	11	10	8	8	8
Higher consumer demand	3	1	3	2	2	2	2	2	2	1	1	3	2
Lower prices	1	1	1	*	1	1	1	1	*	1	1	*	1
Easier credit	2	1	1	1	1	1	1	1	1	1	1	*	1
Stock market	2	3	3	1	2	2	1	1	2	1	1	1	2
Trade deficit	1	2	1	1	3	2	1	1	1	1	1	1	1
UNFAVORABLE NEWS:													
Government; elections	5	6	4	3	3	5	6	7	7	7	5	4	4
Unemployment	16	13	14	12	18	17	13	16	17	18	17	20	15
Lower consumer demand	3	2	2	3	3	3	2	2	2	4	3	2	4
Higher prices	2	2	2	2	5	3	2	3	2	4	6	6	6
Tighter credit	4	3	3	7	6	4	2	6	4	5	10	12	10
Stock market	7	6	5	3	2	3	3	4	1	1	2	2	2
Trade deficit	4	3	1	2	1	1	4	2	2	3	3	3	2

The questions were: "During the last few months, have you heard of any favorable or unfavorable changes in business conditions?" and "What did you hear?"

+ : May add to more than 100% due to multiple mentions.

* : Less than half of one percent.

CHART 12 - RECENT CHANGES
CURRENT BUSINESS CONDITIONS COMPARED WITH A YEAR AGO

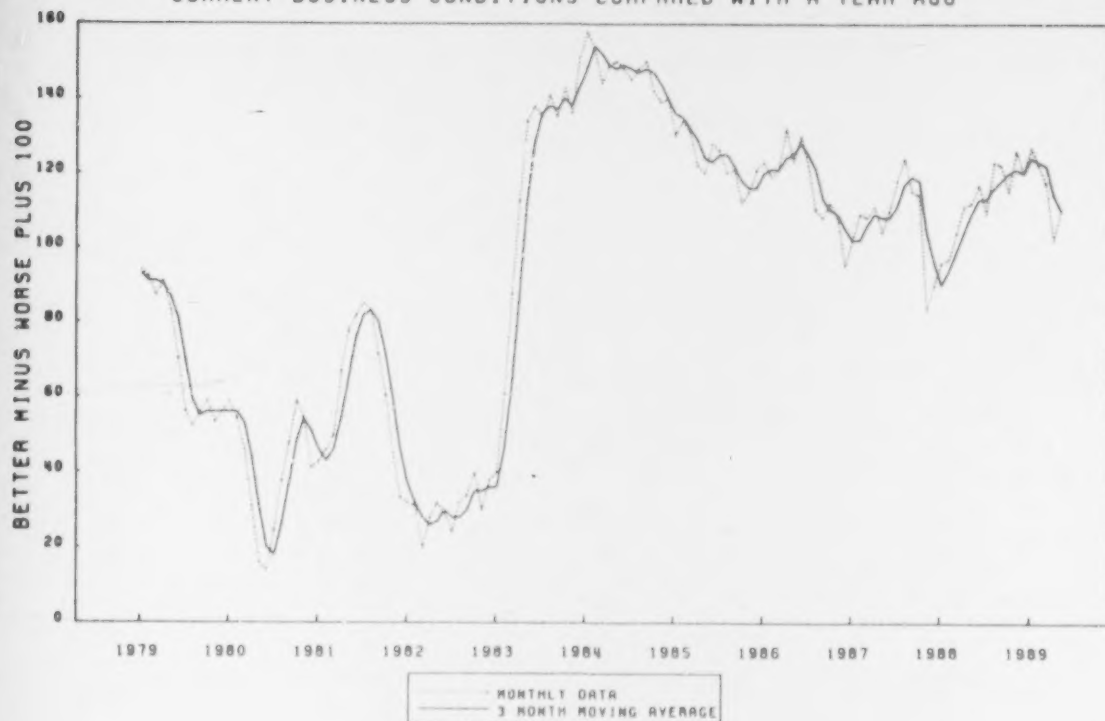


CHART 12 - HISTORICAL SERIES
CURRENT BUSINESS CONDITIONS COMPARED WITH A YEAR AGO

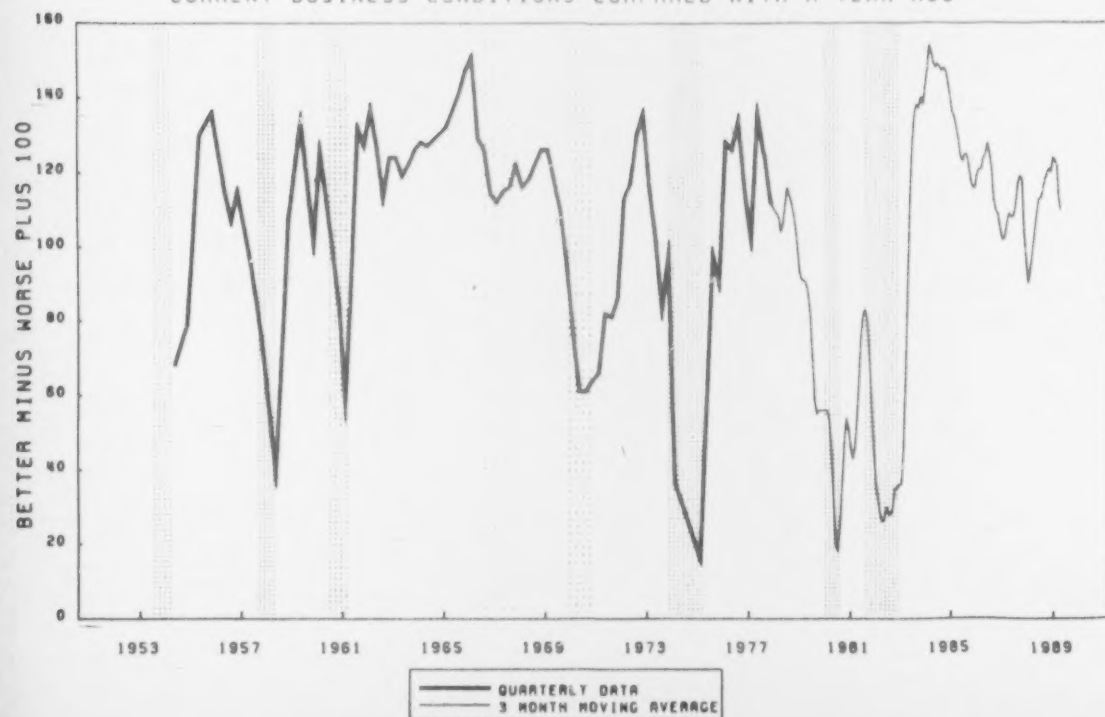


TABLE 12

CURRENT BUSINESS CONDITIONS COMPARED TO A YEAR AGO

	May 1988	June 1988	July 1988	Aug. 1988	Sept 1988	Oct. 1988	Nov. 1988	Dec. 1988	Jan. 1989	Feb. 1989	Mar. 1989	Apr. 1989	May 1989
BETTER NOW	47%	47%	45%	51%	50%	46%	54%	49%	53%	48%	47%	41%	44%
SAME	17	21	15	18	20	21	17	20	19	22	22	18	19
WORSE NOW	35	30	36	28	28	31	28	29	26	26	30	39	34
DK, NA	1	2	4	3	2	2	1	2	2	4	1	2	3
TOTAL	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%
CASES	500	500	501	500	500	501	508	500	501	500	502	500	503

The question was: "Would you say that at the present time business conditions are better or worse than they were a year ago?"

CHART 13 - RECENT CHANGES
 EXPECTED CHANGE IN BUSINESS CONDITIONS IN A YEAR



CHART 13 - HISTORICAL SERIES
 EXPECTED CHANGE IN BUSINESS CONDITIONS IN A YEAR

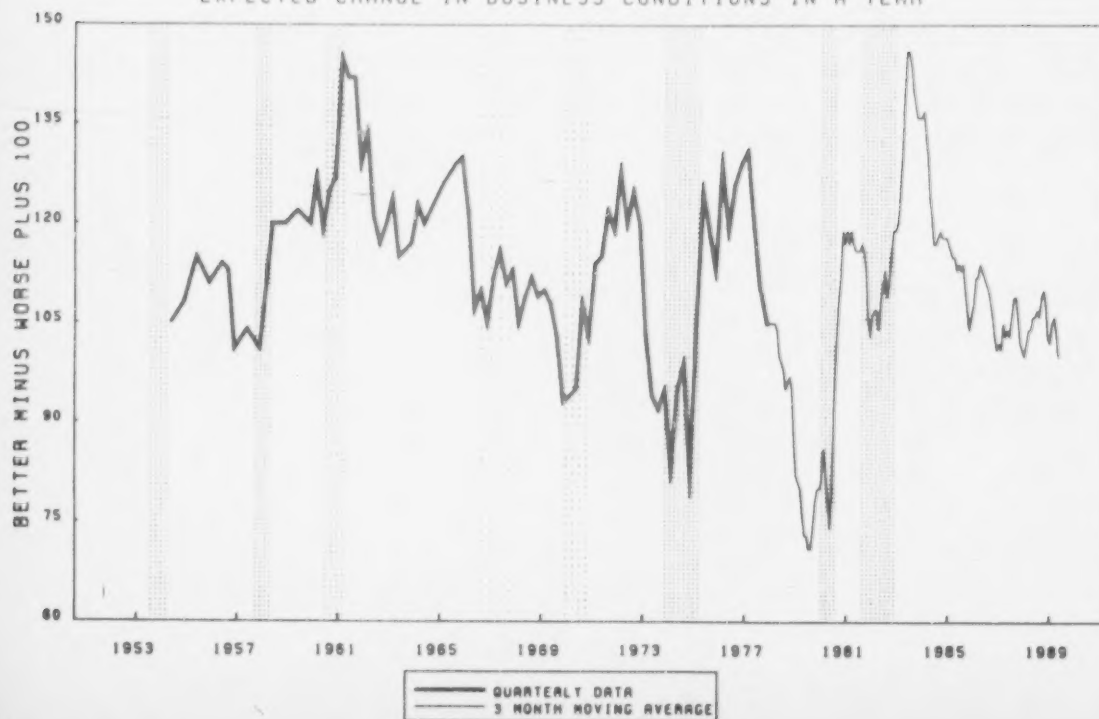


TABLE 13

EXPECTED CHANGE IN BUSINESS CONDITIONS IN A YEAR

	May 1988	June 1988	July 1988	Aug. 1988	Sept 1988	Oct. 1988	Nov. 1988	Dec. 1988	Jan. 1989	Feb. 1989	Mar. 1989	Apr. 1989	May 1989
BETTER	26%	24%	23%	24%	27%	23%	19%	19%	23%	26%	22%	20%	19%
SAME	53	54	53	54	55	59	60	59	56	54	59	57	56
WORSE	16	19	18	16	14	14	18	19	17	17	18	21	22
DK, NA	5	3	6	6	4	4	3	3	4	3	1	2	3
TOTAL	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%
CASES	500	500	501	500	500	501	508	500	501	500	502	500	503

The question was: "And how about a year from now, do you expect that in the country as a whole business conditions will be better, or worse than they are at present, or just about the same?"

CHART 14 - RECENT CHANGES
TREND IN PAST AND EXPECTED BUSINESS CONDITIONS



CHART 14 - HISTORICAL SERIES
TREND IN PAST AND EXPECTED BUSINESS CONDITIONS

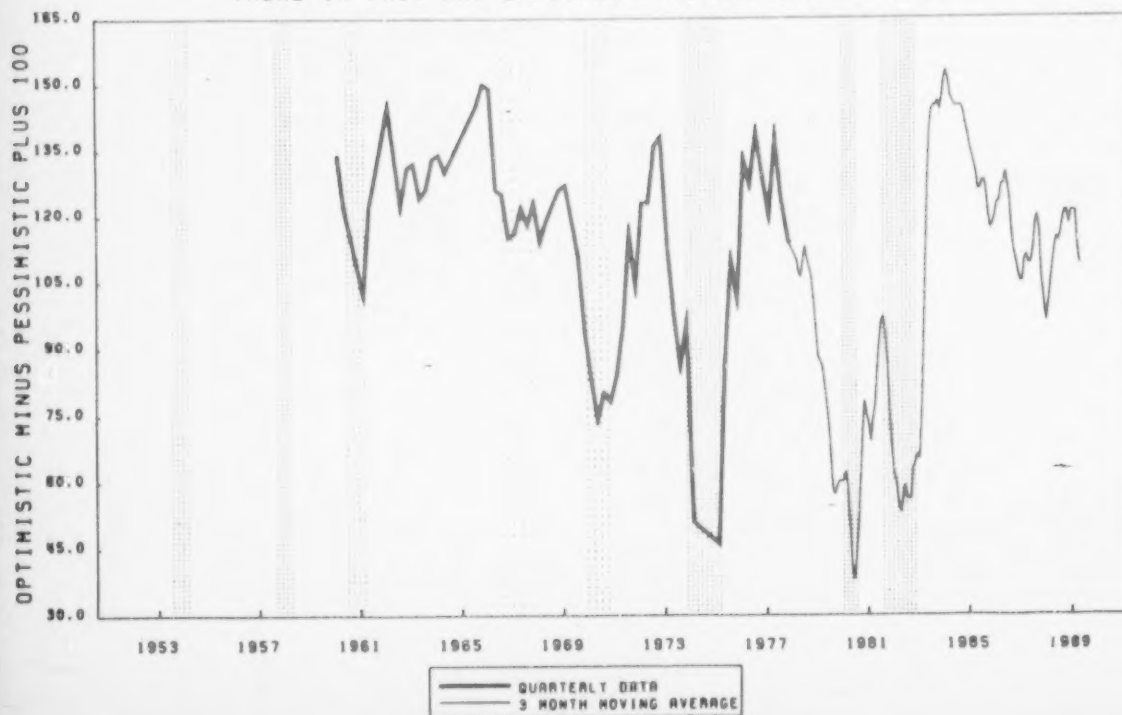


TABLE 14

TREND IN PAST AND EXPECTED CHANGES IN BUSINESS CONDITIONS

	May 1988	June 1988	July 1988	Aug. 1988	Sept 1988	Oct. 1988	Nov. 1988	Dec. 1988	Jan. 1989	Feb. 1989	Mar. 1989	Apr. 1989	May 1989
TREND:													
Continuous increase (a)	16%	15%	12%	18%	18%	15%	13%	10%	16%	18%	12%	14%	13%
Intermittant increase (b)	29	30	28	29	31	31	35	35	34	28	33	24	29
Remain unchanged (c)	9	13	9	11	11	13	10	12	11	13	16	13	12
Intermittant decline (d)	20	18	20	17	19	19	21	19	16	21	16	24	20
Continuous decline (e)	10	10	10	8	6	9	7	9	8	5	11	13	14
Mixed change (f)	11	10	12	8	9	7	10	10	9	10	9	8	7
DK,NA	5	4	9	9	6	6	4	5	6	5	3	4	5
TOTAL	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%
CASES	500	500	501	500	500	501	508	500	501	500	502	500	503

Combination of the responses to the questions on Tables 12 and 13.

Key: (a) Better than a year ago/Better a year from now

(b) Better/Same or Same/Better

(c) Same/Same

(d) Worse/Same or Same/Worse

(e) Worse/Worse

(f) Worse/Better or Better/Worse

CHART 15 - RECENT CHANGES
BUSINESS CONDITIONS EXPECTED DURING THE NEXT TWELVE MONTHS



CHART 15 - HISTORICAL SERIES
BUSINESS CONDITIONS EXPECTED DURING THE NEXT TWELVE MONTHS

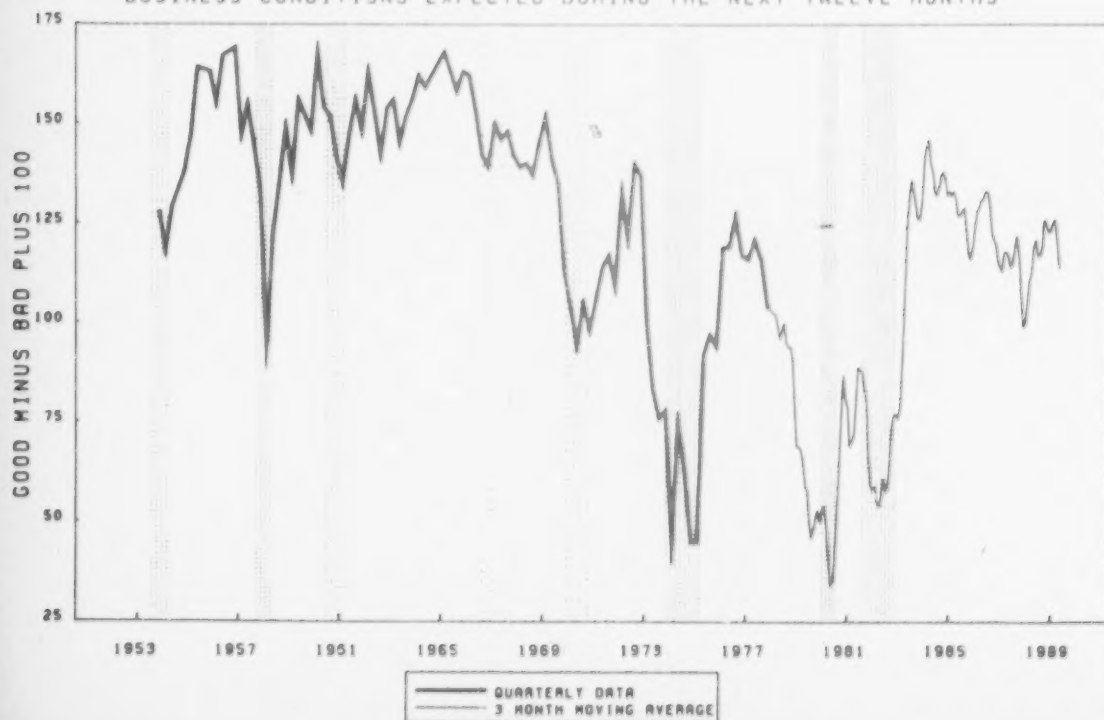


TABLE 15

BUSINESS CONDITIONS EXPECTED DURING THE NEXT 12 MONTHS

	May 1988	June 1988	July 1988	Aug. 1988	Sept 1988	Oct. 1988	Nov. 1988	Dec. 1988	Jan. 1989	Feb. 1989	Mar. 1989	Apr. 1989	May 1989
GOOD TIMES	54%	54%	44%	52%	53%	54%	53%	52%	56%	56%	55%	49%	46%
UNCERTAIN; GOOD & BAD	4	3	4	4	5	7	4	5	4	3	4	3	4
BAD TIMES	29	33	38	27	28	25	31	33	28	28	32	36	39
DON'T KNOW	8	6	9	11	9	8	7	5	7	9	5	6	6
NOT ASCERTAINED	5	4	5	6	5	6	5	5	5	4	4	6	5
TOTAL	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%
CASES	500	500	501	500	500	501	508	500	501	500	502	500	503

The question was: "Now turning to business conditions in the country as a whole--do you think that during the next 12 months we'll have good times financially, or bad times or what?"

CHART 16 - RECENT CHANGES
BUSINESS CONDITIONS EXPECTED FOR THE NEXT FIVE YEARS



CHART 16 - HISTORICAL SERIES
BUSINESS CONDITIONS EXPECTED FOR THE NEXT FIVE YEARS



TABLE 16

BUSINESS CONDITIONS EXPECTED DURING THE NEXT FIVE YEARS

	May 1988	June 1988	July 1988	Aug. 1988	Sept 1988	Oct. 1988	Nov. 1988	Dec. 1988	Jan. 1989	Feb. 1989	Mar. 1989	Apr. 1989	May 1989
GOOD TIMES	41%	36%	39%	43%	41%	40%	40%	41%	45%	41%	40%	37%	36%
UNCERTAIN; GOOD & BAD	13	16	11	16	17	12	14	12	9	12	14	13	13
BAD TIMES	43	41	43	38	39	43	43	43	42	42	42	46	47
NOT ASCERTAINED	3	7	7	3	3	5	3	4	4	5	4	4	4
TOTAL	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%
CASES	500	500	501	500	500	501	508	500	501	500	502	500	503

The question was: "Looking ahead, which would you say is more likely--that in the country as a whole we'll have continuous good times during the next 5 years or so, or that we will have periods of widespread unemployment or depression, or what?"

CHART 17 - RECENT CHANGES
EXPECTED CHANGE IN UNEMPLOYMENT

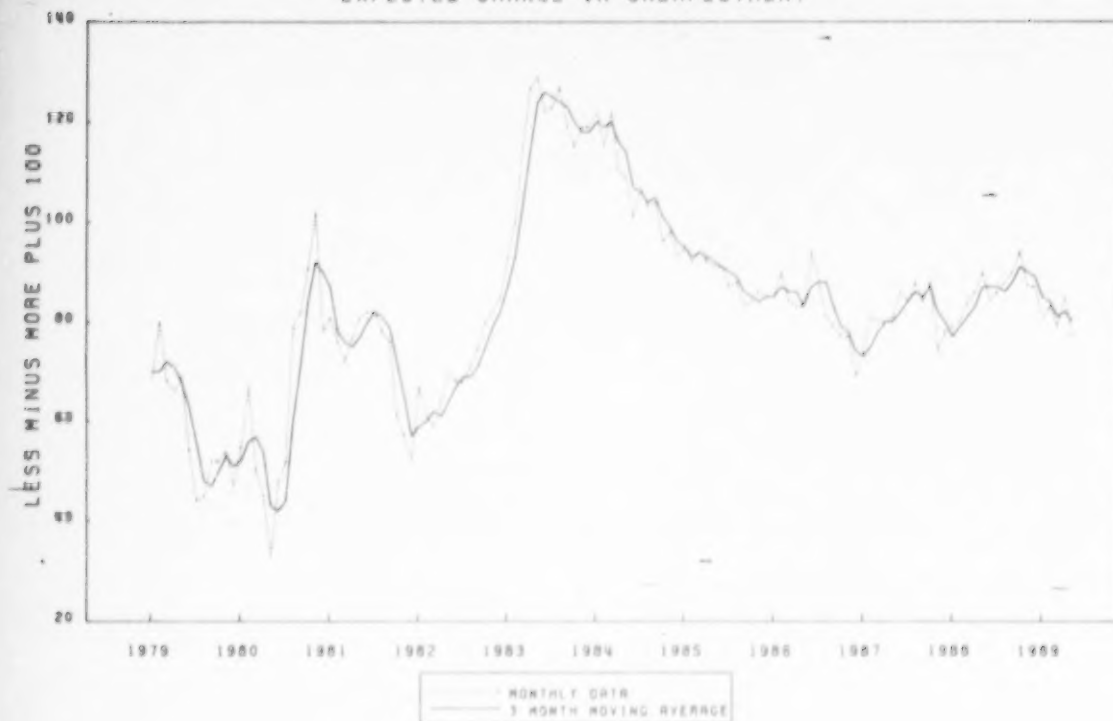


CHART 17 - HISTORICAL SERIES
EXPECTED CHANGE IN UNEMPLOYMENT



TABLE 17
EXPECTED CHANGE IN UNEMPLOYMENT

	May 1988	June 1988	July 1988	Aug. 1988	Sept 1988	Oct. 1988	Nov. 1988	Dec. 1988	Jan. 1989	Feb. 1989	Mar. 1989	Apr. 1989	May 1989
LESS	11%	15%	15%	15%	17%	16%	14%	15%	15%	13%	12%	14%	12%
SAME	67	53	54	53	52	60	57	55	50	55	53	55	52
MORE	21	31	29	27	27	22	27	28	34	30	33	29	35
DK, NA	1	1	2	5	4	2	2	2	1	2	2	2	1
TOTAL	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%
CASES	500	500	501	500	500	501	508	500	501	500	502	500	503

The question was: "How about people out of work during the coming 12 months--do you think that there will be more unemployment than now, about the same, or less?"

CHART 18 - RECENT CHANGES
EXPECTED CHANGE IN INTEREST RATES

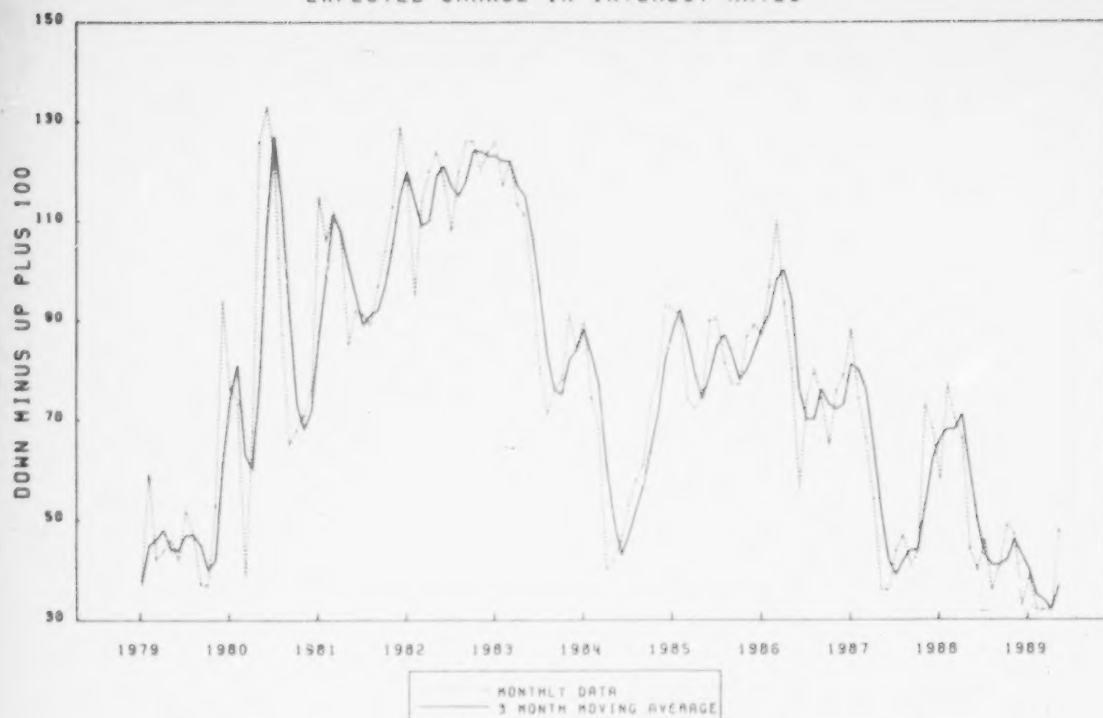


CHART 18 - HISTORICAL SERIES
EXPECTED CHANGE IN INTEREST RATES

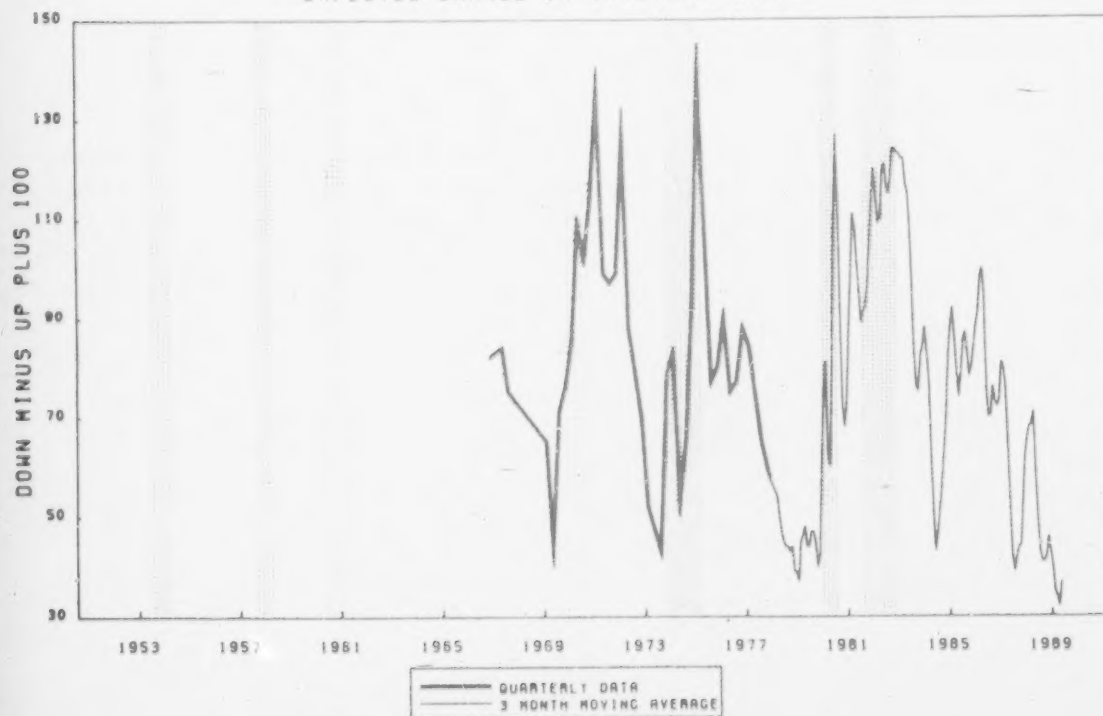


TABLE 18

EXPECTED CHANGE IN INTEREST RATES

	May 1988	June 1988	July 1988	Aug. 1988	Sept 1988	Oct. 1988	Nov. 1988	Dec. 1988	Jan. 1989	Feb. 1989	Mar. 1989	Apr. 1989	May 1989
GO UP	64%	67%	65%	71%	67%	62%	62%	74%	68%	75%	73%	75%	64%
STAY THE SAME	26	24	22	19	21	24	27	16	23	16	20	17	20
GO DOWN	8	7	11	7	8	11	9	7	7	7	5	7	12
DK,NA	2	2	2	3	4	3	2	3	2	2	2	1	4
TOTAL	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%
CASES	500	500	501	500	500	501	508	500	501	500	502	500	503

The question was: "No one can say for sure, but what do you think will happen to interest rates for borrowing money during the next 12 months--will they go up, stay the same, or go down?"

CHART 19 - RECENT CHANGES
MEAN EXPECTED PRICE INCREASE OVER THE NEXT 12 MONTHS



CHART 19 - HISTORICAL SERIES
MEAN EXPECTED PRICE INCREASE OVER THE NEXT 12 MONTHS



TABLE 19

EXPECTED CHANGE IN PRICES DURING THE NEXT 12 MONTHS

	May 1988	June 1988	July 1988	Aug. 1988	Sept 1988	Oct. 1988	Nov. 1988	Dec. 1988	Jan. 1989	Feb. 1989	Mar. 1989	Apr. 1989	May 1989
SAME OR DOWN	13%	13%	8%	8%	8%	9%	11%	10%	10%	11%	12%	8%	10%
WILL GO UP BY:													
1-2%	19	18	15	15	16	20	15	16	20	15	18	17	16
3-4%	26	20	23	23	25	21	28	26	23	24	23	23	19
5%	18	20	19	22	21	20	18	20	19	22	17	21	23
6-9%	7	8	12	9	10	8	8	8	9	10	9	10	9
10-14%	6	9	12	8	7	9	9	11	7	8	9	10	11
15% or more	6	6	6	6	6	5	5	4	6	4	7	5	7
DK how much up	4	5	5	8	6	6	5	4	5	5	4	6	4
DK,NA	1	1	*	1	1	2	1	1	1	1	1	*	1
TOTAL	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%
MEAN INCREASE	4.9	5.6	5.6	5.4	5.5	5.2	5.4	5.0	5.1	4.8	5.6	5.0	5.8
VARIANCE	41	60	37	38	52	40	55	32	41	29	64	24	49
CASES	500	500	501	500	500	501	508	500	501	500	502	500	503

The questions were: "During the next 12 months, do you think that prices in general will go up, or go down, or stay where they are now?" and "By about what percent do you expect prices to go up, on the average, during the next 12 months?"

* : Less than half of one percent. —

CHART 20 - RECENT CHANGES
OPINIONS ABOUT THE GOVERNMENT'S ECONOMIC POLICY

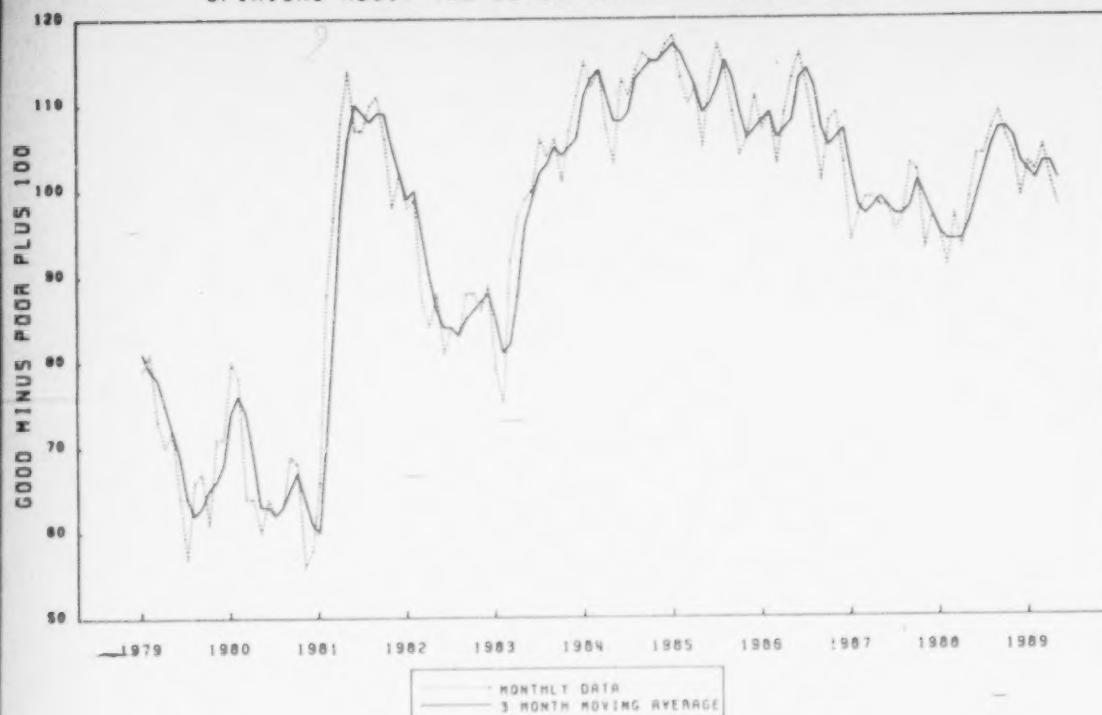


CHART 20 - HISTORICAL SERIES
OPINIONS ABOUT THE GOVERNMENT'S ECONOMIC POLICY

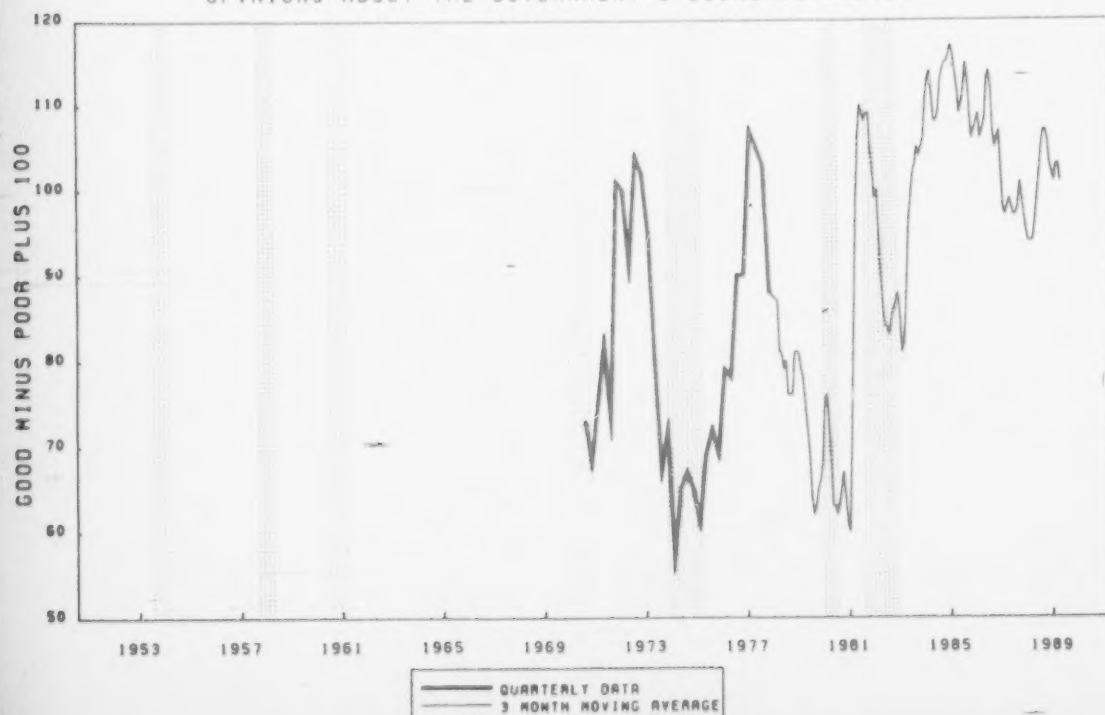


TABLE 20

OPINIONS ABOUT THE GOVERNMENT'S ECONOMIC POLICY

	May 1988	June 1988	July 1988	Aug. 1988	Sept 1988	Oct. 1988	Nov. 1988	Dec. 1988	Jan. 1989	Feb. 1989	Mar. 1989	Apr. 1989	May 1989
A GOOD JOB	21%	23%	25%	28%	29%	26%	27%	20%	27%	23%	25%	19%	19%
ONLY FAIR	56	57	51	48	49	51	49	57	48	51	52	59	57
A POOR JOB	22	19	21	21	20	20	23	21	24	21	20	18	21
DK,NA	1	1	3	3	2	3	1	2	1	5	3	4	3
TOTAL	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%
CASES	500	500	501	500	500	501	508	500	501	500	502	500	503

The question was: "As to the economic policy of the government--I mean steps taken to fight inflation or unemployment--would you say the government is doing a good job, only fair, or a poor job?"

CHART 21 - RECENT CHANGES
BUYING CONDITIONS FOR LARGE HOUSEHOLD GOODS



CHART 21 - HISTORICAL SERIES
BUYING CONDITIONS FOR LARGE HOUSEHOLD GOODS



TABLE 21

BUYING CONDITIONS FOR LARGE HOUSEHOLD GOODS

	May 1988	June 1988	July 1988	Aug. 1988	Sept 1988	Oct. 1988	Nov. 1988	Dec. 1988	Jan. 1989	Feb. 1989	Mar. 1989	Apr. 1989	May 1989
GOOD TIME TO BUY	79%	74%	79%	74%	71%	73%	73%	70%	78%	71%	72%	75%	73%
UNCERTAIN, DEPENDS	7	15	9	12	15	12	10	10	9	12	12	8	11
BAD TIME TO BUY	14	11	12	14	14	15	17	20	13	17	16	17	16
TOTAL	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%
CASES	500	500	501	500	500	501	508	500	501	500	502	500	503

The question was: "About the big things people buy for their homes--such as furniture, a refrigerator, stove, television, and things like that. Generally speaking, do you think now is a good or a bad time for people to buy major household items?"

CHART 22A - HISTORICAL SERIES
REASONS FOR OPINIONS ABOUT BUYING CONDITIONS FOR DURABLES

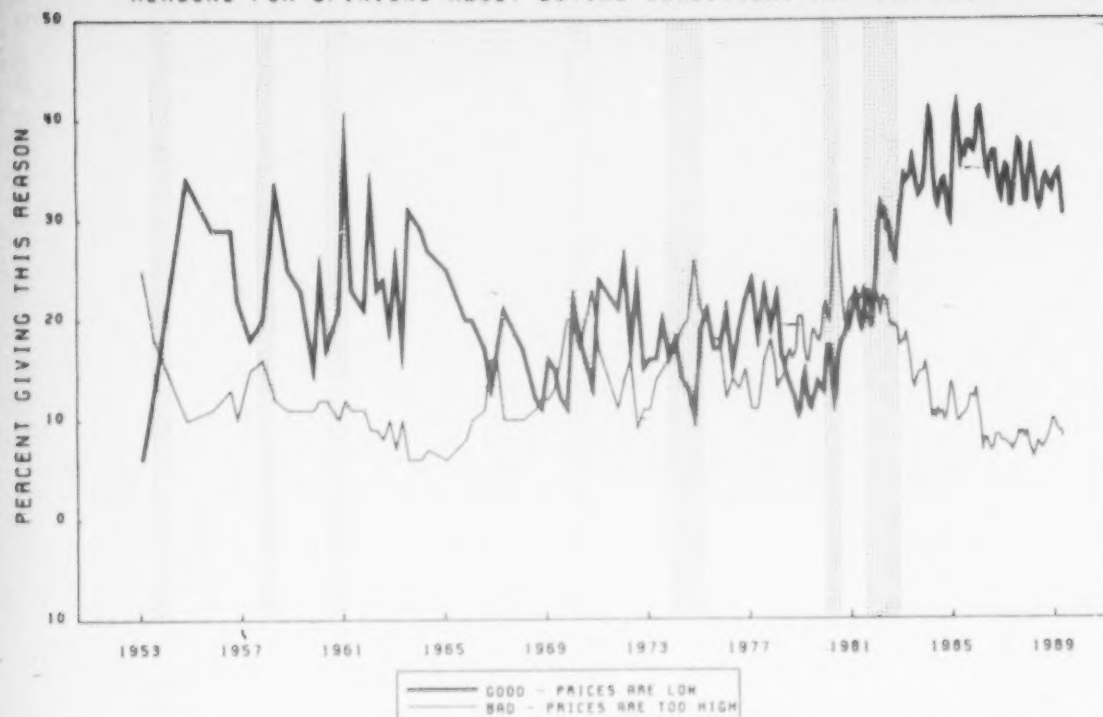


CHART 22B - HISTORICAL SERIES
REASONS FOR OPINIONS ABOUT BUYING CONDITIONS FOR DURABLES

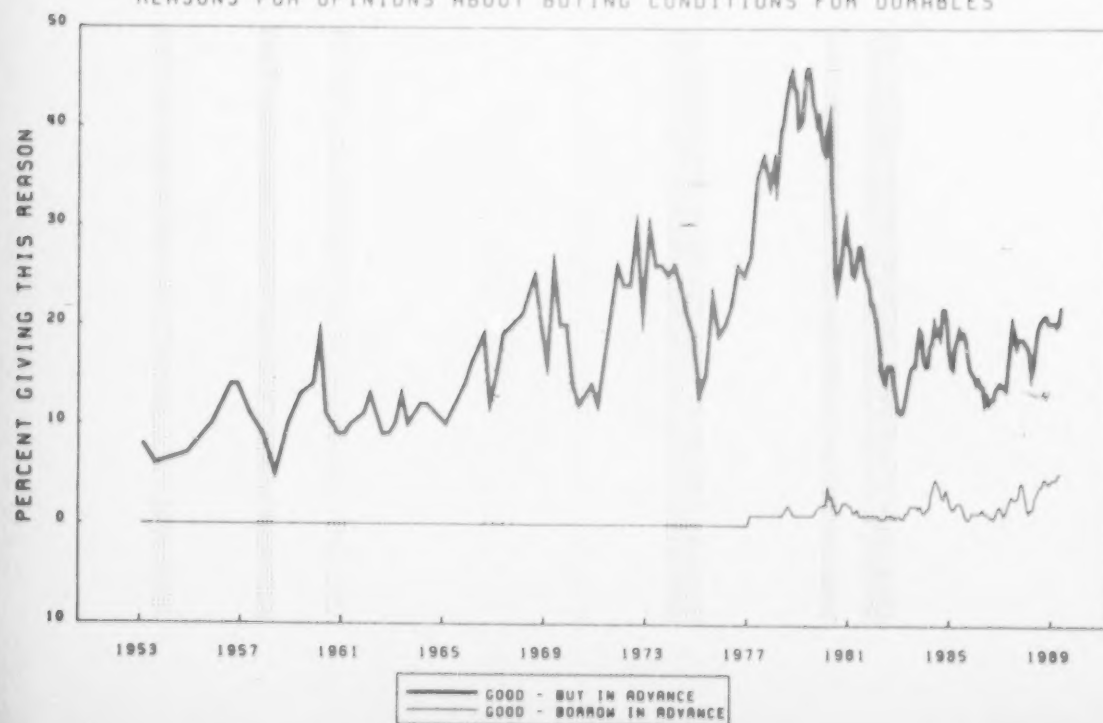


TABLE 22

SELECTED REASONS FOR OPINIONS ABOUT BUYING CONDITIONS FOR LARGE HOUSEHOLD GOODS +

	May 1988	June 1988	July 1988	Aug. 1988	Sept 1988	Oct. 1988	Nov. 1988	Dec. 1988	Jan. 1989	Feb. 1989	Mar. 1989	Apr. 1989	May 1989
GOOD TIME TO BUY:													
Prices are low; good buys available	30%	31%	34%	36%	33%	32%	34%	32%	36%	35%	33%	31%	27%
Prices won't come down; are going higher	20	20	21	21	21	21	19	21	21	19	20	22	24
Interest rates are low	6	8	7	7	7	7	8	4	5	4	6	4	5
Borrow-in-advance of rising interest rates	5	3	4	5	5	4	4	5	5	4	5	7	4
Times are good; prosperity	7	7	10	7	5	8	5	7	7	9	7	8	6
BAD TIME TO BUY:													
Prices are high	8	7	6	9	8	8	11	11	7	9	10	7	7
Interest rates are high; credit is tight	4	2	2	3	3	4	3	5	2	5	5	8	5
Times are bad; can't afford to buy	3	2	3	3	2	4	3	3	4	5	4	4	4
Bad times ahead; uncertain future	2	1	3	3	3	2	1	3	3	3	1	2	3

Responses to the query: "Why do you say so?" following the question on Table 21.
+ : May add to more than 100% due to multiple mentions.

CHART 22C - HISTORICAL SERIES
REASONS FOR OPINIONS ABOUT BUYING CONDITIONS FOR DURABLES

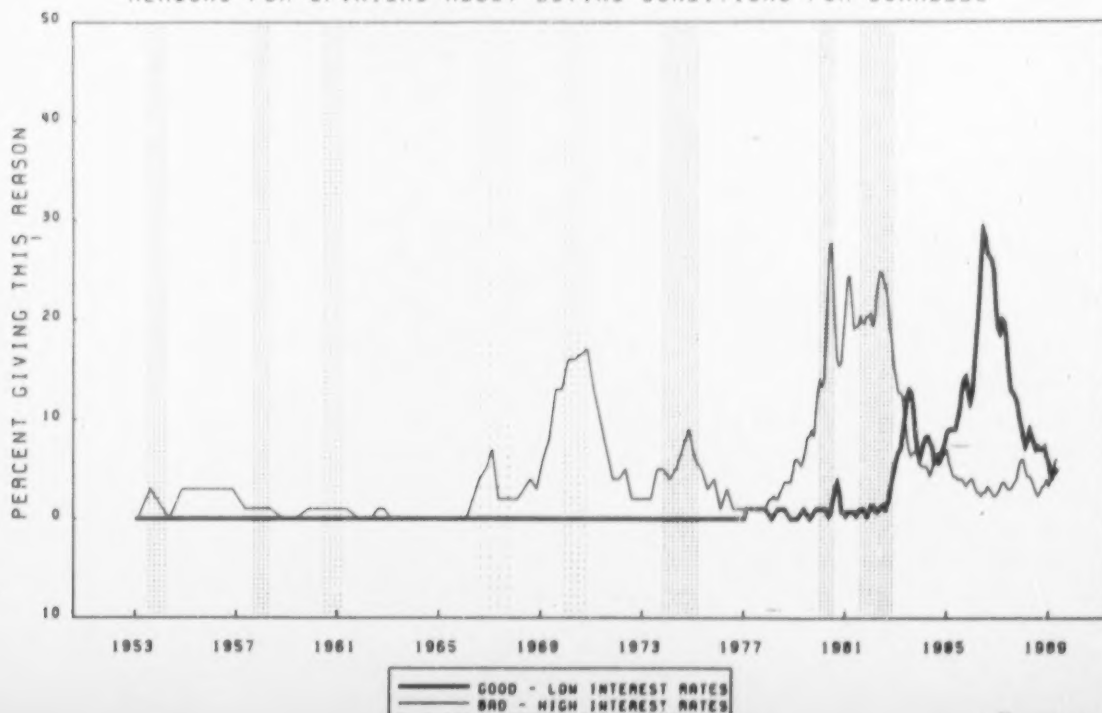


CHART 23 - RECENT CHANGES
BUYING CONDITIONS FOR HOUSES



CHART 23 - HISTORICAL SERIES
BUYING CONDITIONS FOR HOUSES



TABLE 23

BUYING CONDITIONS FOR HOUSES

	May 1988	June 1988	July 1988	Aug. 1988	Sept 1988	Oct. 1988	Nov. 1988	Dec. 1988	Jan. 1989	Feb. 1989	Mar. 1989	Apr. 1989	May 1989
GOOD TIME TO BUY	72%	73%	72%	67%	70%	64%	67%	63%	64%	64%	60%	58%	61%
UNCERTAIN, DEPENDS	3	5	4	6	5	5	4	7	6	8	5	4	6
BAD TIME TO BUY	25	22	24	27	25	31	29	30	30	28	35	38	33
TOTAL	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%
CASES	500	500	501	500	500	501	508	500	501	500	502	500	503

The question was: "Generally speaking, do you think now is a good time or a bad time to buy a house?"

CHART 24A - HISTORICAL SERIES
REASONS FOR OPINIONS ABOUT BUYING CONDITIONS FOR HOUSES



CHART 24B - HISTORICAL SERIES
REASONS FOR OPINIONS ABOUT BUYING CONDITIONS FOR HOUSES



TABLE 24

SELECTED REASONS FOR OPINIONS ABOUT BUYING CONDITIONS FOR HOUSES +

	May 1988	June 1988	July 1988	Aug. 1988	Sept 1988	Oct. 1988	Nov. 1988	Dec. 1988	Jan. 1989	Feb. 1989	Mar. 1989	Apr. 1989	May 1989
--	-------------	--------------	--------------	--------------	--------------	--------------	--------------	--------------	--------------	--------------	--------------	--------------	-------------

GOOD TIME TO BUY:

Prices are low; good buys available	16%	19%	24%	18%	21%	18%	19%	16%	19%	20%	17%	17%	22%
Prices won't come down; are going higher	12	12	12	10	15	11	13	13	13	10	12	13	11
Interest rates are low	37	34	30	28	22	25	33	19	22	20	17	16	16
Borrow-in-advance of rising interest rates	14	15	11	19	21	15	13	21	16	20	19	20	15
Good investment	10	6	7	9	9	9	10	8	7	7	9	6	8
Times are good; prosperity	5	5	6	5	4	4	3	3	4	5	2	4	4

BAD TIME TO BUY:

Prices are high	10	11	13	13	11	18	15	14	14	13	16	16	13
Interest rates are high; credit is tight	12	10	11	14	14	16	12	18	16	12	24	28	25
Times are bad; can't afford to buy	6	4	4	4	4	5	6	3	5	6	7	7	6
Bad times ahead; uncertain future	3	3	2	3	2	3	3	5	4	3	3	4	3

Responses to the query: "Why do you say so?" following the question on Table 23.

+ : May add to more than 100% due to multiple mentions.

CHART 24C - HISTORICAL SERIES
REASONS FOR OPINIONS ABOUT BUYING CONDITIONS FOR HOUSES

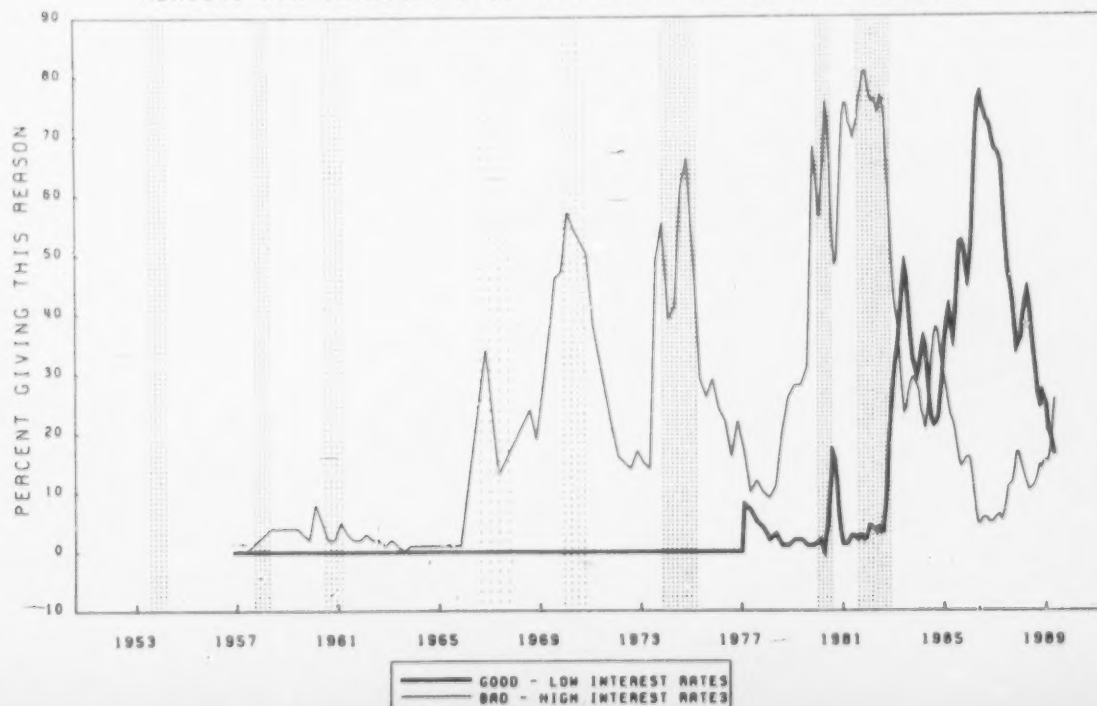


CHART 25 - RECENT CHANGES
BUYING CONDITIONS FOR CARS



CHART 25 - HISTORICAL SERIES
BUYING CONDITIONS FOR CARS



TABLE 25

BUYING CONDITIONS FOR CARS

	May 1988	June 1988	July 1988	Aug. 1988	Sept 1988	Oct. 1988	Nov. 1988	Dec. 1988	Jan. 1989	Feb. 1989	Mar. 1989	Apr. 1989	May 1989
GOOD TIME TO BUY	64%	62%	62%	62%	61%	60%	61%	61%	62%	61%	61%	65%	63%
UNCERTAIN; DEPENDS	10	11	10	12	13	12	9	10	11	11	8	9	10
BAD TIME TO BUY	26	27	28	26	26	28	30	29	27	28	31	26	27
TOTAL	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%
CASES	500	500	501	500	500	501	508	500	501	500	502	500	503

The question was: "Speaking now of the automobile market--do you think the next 12 months or so will be a good time or a bad time to buy a car?"

CHART 26A - HISTORICAL SERIES
REASONS FOR OPINIONS ABOUT BUYING CONDITIONS FOR CARS

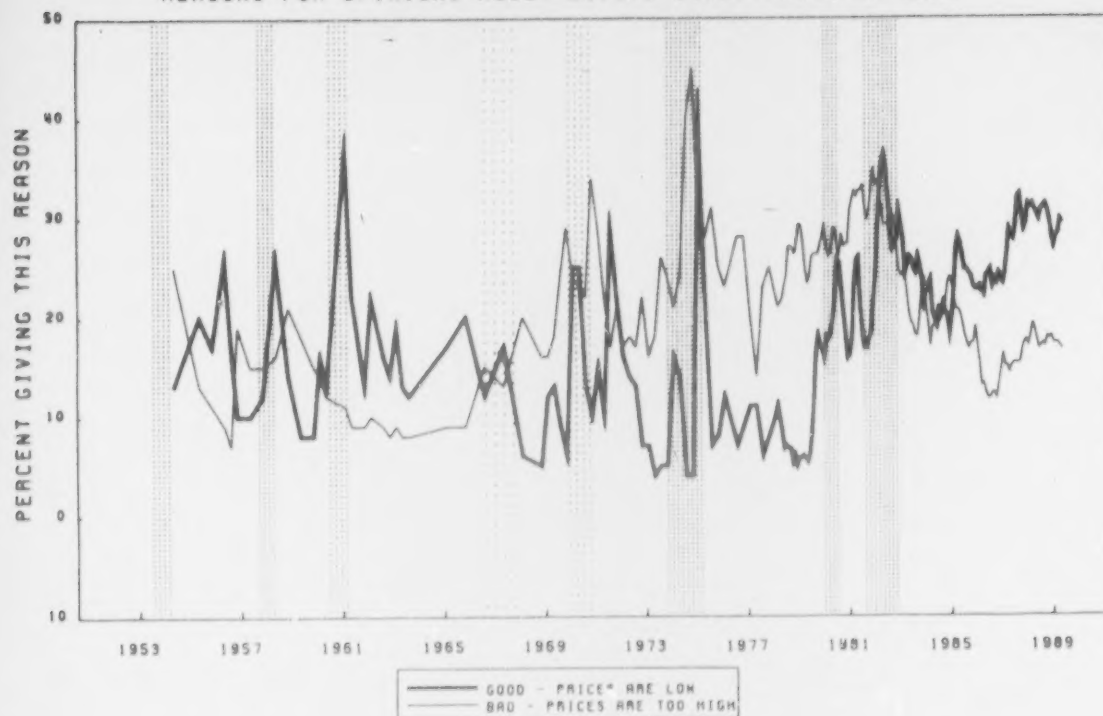


CHART 26B - HISTORICAL SERIES
REASONS FOR OPINIONS ABOUT BUYING CONDITIONS FOR CARS

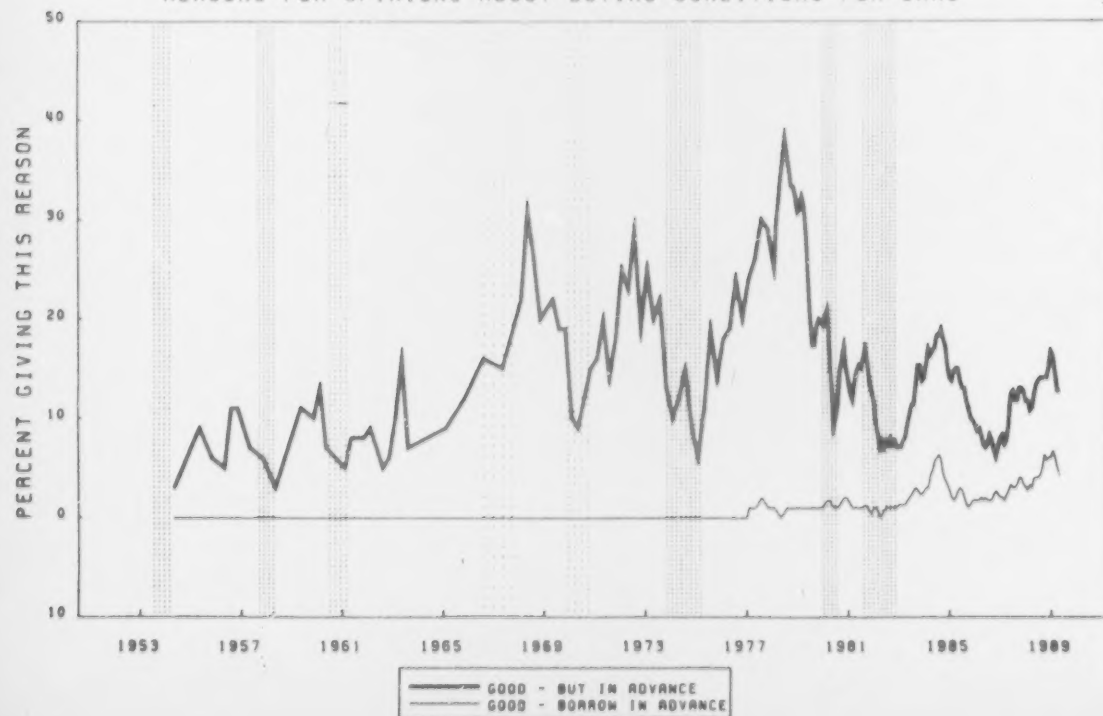


TABLE 26

SELECTED REASONS FOR OPINIONS ABOUT BUYING CONDITIONS FOR CARS +

May 1988 June 1988 July 1988 Aug. 1988 Sept 1988 Oct. 1988 Nov. 1988 Dec. 1988 Jan. 1989 Feb. 1989 Mar. 1989 Apr. 1989 May 1989

GOOD TIME TO BUY:

Prices are low; good buys available	29%	30%	33%	30%	31%	31%	27%	26%	28%	30%	27%	32%	29%
Prices won't come down; are going higher	14	14	13	15	14	13	15	17	18	14	12	12	14
Interest rates are low	17	16	14	16	14	12	14	11	11	15	15	25	23
Borrow-in-advance of rising interest rates	5	4	3	6	6	7	4	7	7	6	5	4	4
Times are good; prosperity	4	3	5	4	4	4	4	4	5	4	3	3	3

BAD TIME TO BUY:

Prices are high	17	18	16	18	17	19	17	18	17	17	18	16	16
Interest rates are high; credit is tight	6	4	6	6	9	8	7	9	7	6	13	9	6
Times are bad; can't afford to buy	3	1	3	4	2	3	2	4	2	4	2	3	4
Bad times ahead; uncertain future	2	2	2	2	2	1	2	3	1	1	2	3	2
Poor selection; quality	2	3	3	2	3	5	3	2	4	3	3	2	3

Responses to the query: "Why do you say so?" following the question on Table 25.
+ : May add to more than 100% due to multiple mentions.

CHART 26C - HISTORICAL SERIES
REASONS FOR OPINIONS ABOUT BUYING CONDITIONS FOR CARS

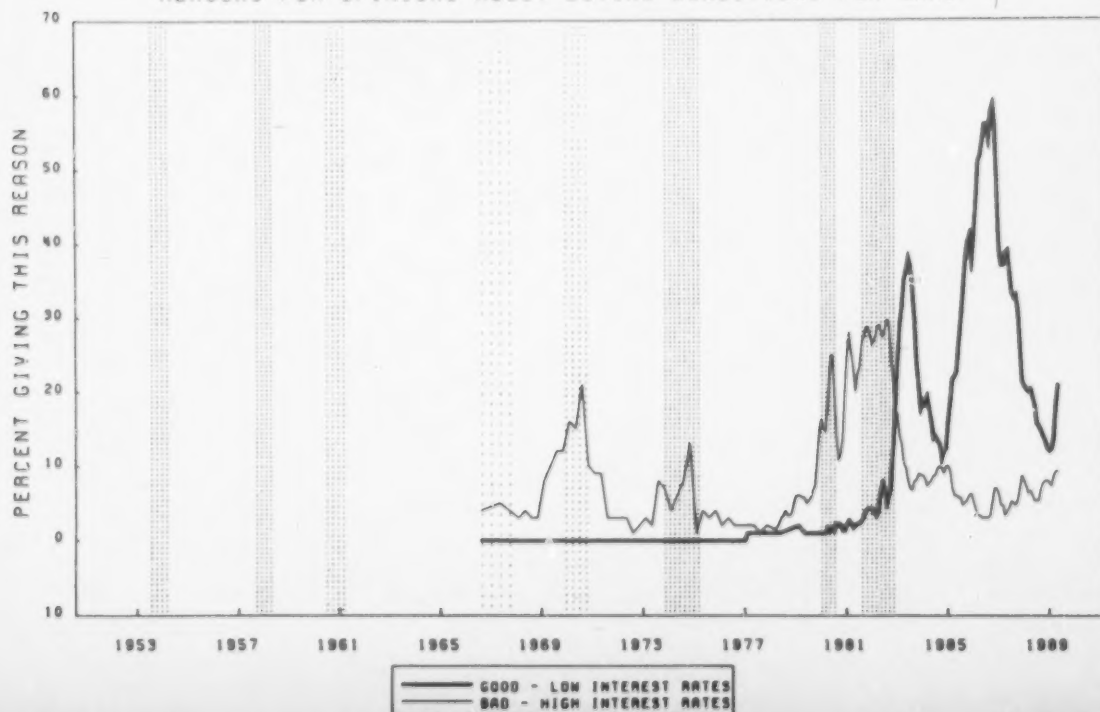


CHART 1 - RECENT CHANGES
THE INDEX OF CONSUMER SENTIMENT

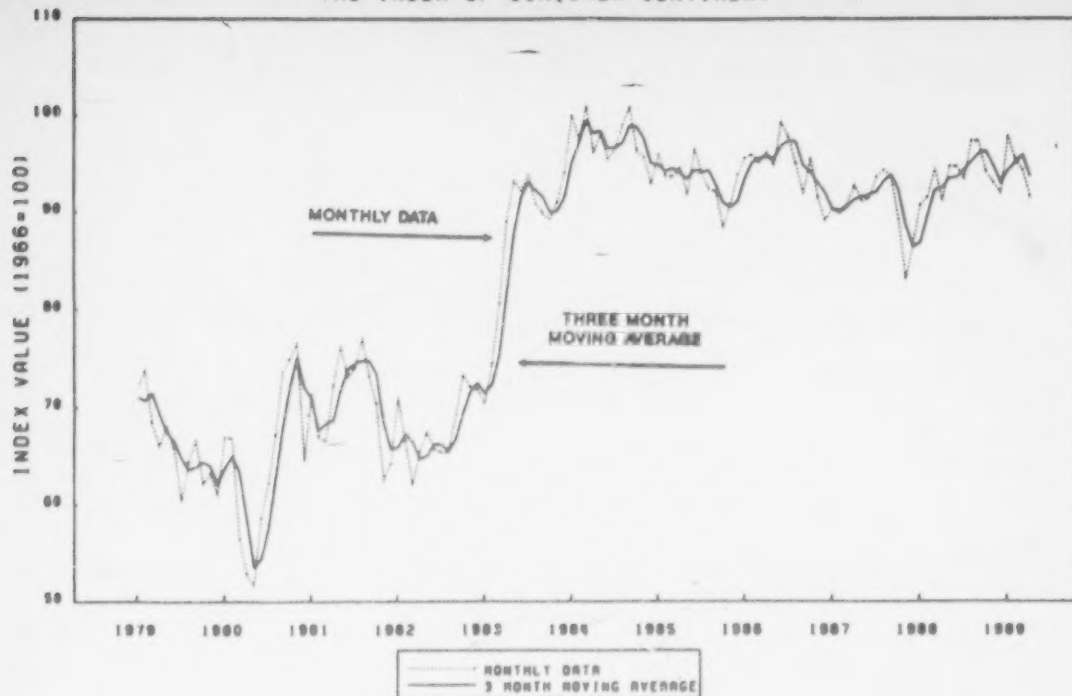
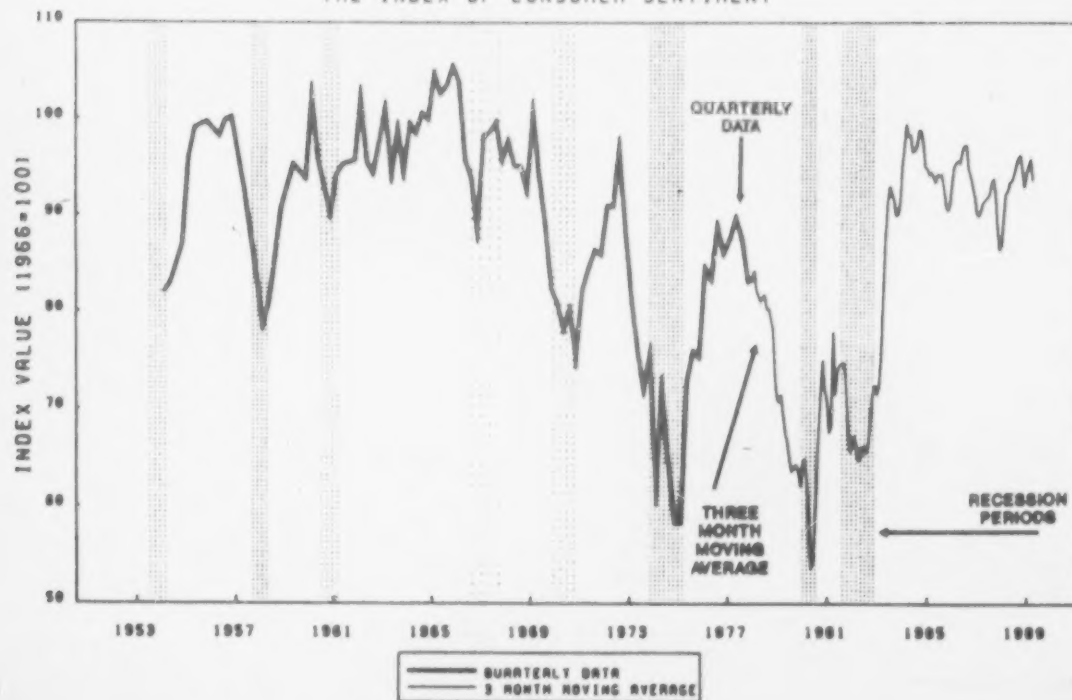


CHART 1 - HISTORICAL SERIES
THE INDEX OF CONSUMER SENTIMENT



DESCRIPTION OF CHARTS

DATA POINTS

QUARTERLY DATA: Data collected by surveys conducted at three month intervals before 1978.

MONTHLY DATA: Data collected by surveys conducted each month since January of 1978.

THREE-MONTH MOVING AVERAGE: Each point plotted represents the average of the three monthly observations ending at the date plotted.

TIME SCALE

Each tic mark on the time scale represents the month of January for the indicated year.

RECESSION PERIODS

November	1948 - October	1949
July	1953 - May	1954
August	1957 - April	1958
April	1960 - February	1961
June	1966 - November	1967*
December	1969 - November	1970
November	1973 - March	1975
January	1980 - July	1980
July	1981 - November	1982

Recession dates are determined by the National Bureau of Economic Research.

RECESSION PERIOD: Reduction in the national output of goods and services, generally lasting at least two quarters

***GROWTH RECESSION:** Retardation in the rate of growth of output and employment (usually followed by a recession and always the initial stage of a recession).

RECOMMENDED ALLOWANCE FOR SAMPLING ERROR OF A PERCENTAGE
(Sampling Error Allowance in Percentage Points¹)

For Estimated Percentage Near	Number of Interviews											
	100	200	300	400	500	750	1000	1250	1500	2000	2500	3000
1% or 99%	2.2	1.6	1.3	1.1	1.0	0.8	0.7	0.6	0.6	0.5	0.4	0.4
5% or 95%	4.9	3.5	2.8	2.4	2.2	1.8	1.5	1.4	1.3	1.1	1.0	0.9
10% or 90%	6.7	4.8	3.9	3.4	3.0	2.4	2.1	1.9	1.7	1.5	1.3	1.2
20% or 80%	9.0	6.3	5.2	4.5	4.0	3.3	2.8	2.5	2.3	2.0	1.8	1.6
30% or 70%	10.3	7.3	5.9	5.1	4.6	3.7	3.2	2.9	2.6	2.3	2.0	1.9
40% or 60%	11.0	7.8	6.3	5.5	4.9	4.0	3.5	3.1	2.8	2.4	2.2	2.0
50%	11.2	7.9	6.5	5.6	5.0	4.1	3.5	3.2	2.9	2.5	2.2	2.0

¹The figures in this table represent two standard errors. Hence, the chances are 95 in 100 that the true percentage lies within a range equal to the observed percentage, plus or minus the sampling error.

Surveys of Consumers

Richard T. Curtin, *Director*

Consumer Confidence Maintained: Spending Plans Remain Cautious

Index Unchanged

The Index of Consumer Sentiment was 90.6 in the June 1989 survey, nearly identical to the 90.7 recorded in May. The overall stability resulted from small offsetting changes among income subgroups and among the attitude and expectation components of the Index. Consumer confidence declined among higher income families while confidence among lower income families strengthened; expectations about the future course of the economy improved slightly while consumer evaluations of their current financial situation weakened.

Among families with incomes of \$40,000 or more, the Index fell to 95.4 in June from 100.3 in May, the lowest level recorded in more than one year.

The Index of Consumer Expectations, a component of the Index of Leading Indicators, rose to 82.0 in June from 80.1 in May. This was the first monthly increase to be recorded since the start of the year. The small June improvement still leaves the Expectations Index well below the 89.9 recorded in January 1989. The recent improvement was due to a small rebound in short-term outlook for the general economy.

Evaluations of current economic conditions weakened in the June survey. The Current Conditions Index fell to 104.1 in June from 107.1 recorded one month earlier and the 108.6 recorded one year earlier. The recent decline was mainly due to less favorable assessments by consumers of their current financial situation.

Cautious Optimism

The overall trends in consumer sentiment suggest the continued maintenance of a cautious optimism among consumers. Most consumers expect a slowdown in the pace of improvement in both their personal finances as well as for the economy as a whole. But few consumers expect their personal financial situation to worsen or the economy to slip into a recession during the year ahead.

This has made consumers more cautious in their outlook, but not pessimistic. Importantly, consumers continue to view employment prospects positively, and concerns with future trends in inflation and interest rates have eased significantly. While these data indicate that consumer sales will remain sluggish through the balance of the year, there is no indication that sharp cutbacks in purchases are now planned by consumers.

Personal Finances Stagnate: Income Gains Offset by Price Increases

In the June 1989 survey, fewer families reported that their financial situation had improved during the past year, and fewer families expected their financial situation to improve during the year ahead. Rather than a worsening financial situation, more families reported that their financial situation had remained the same as a year earlier. And considering changes in both incomes and prices, more families expected their financial situation to remain the same during the year ahead.

The proportion of families that reported an improved financial situation fell to 38 percent in the June 1989 survey from 45 percent one month earlier and 43 percent one year earlier. The proportion that reported an unchanged financial situation rose to 38 percent in June 1989 from 31 percent one month earlier and 32 percent one year earlier. A worsening financial situation was reported by 23 percent of all families in June 1989, just below the 24 percent recorded both one month and one year earlier.

An improved financial situation was expected by 34 percent of all families in the June 1989 survey, down from the 39 percent recorded both one month and one year earlier. A worsening financial situation was expected by just 11 percent of all families in the June 1989 survey, down from 14 percent in May. The majority of families expected their financial situation to remain unchanged in the June survey (52 percent, up from 45 percent in May).

Although as many families expected income increases in the June 1989 survey as either one month or one year earlier, the size of the expected increases were smaller. Overall, the proportion of families that expected their incomes to increase by as much or more than prices fell to 55 percent in June from 64 percent a year earlier. Rather than reflecting an acceleration in the expected inflation, these weakening real income prospects reflected a decline in the expected growth of nominal incomes.

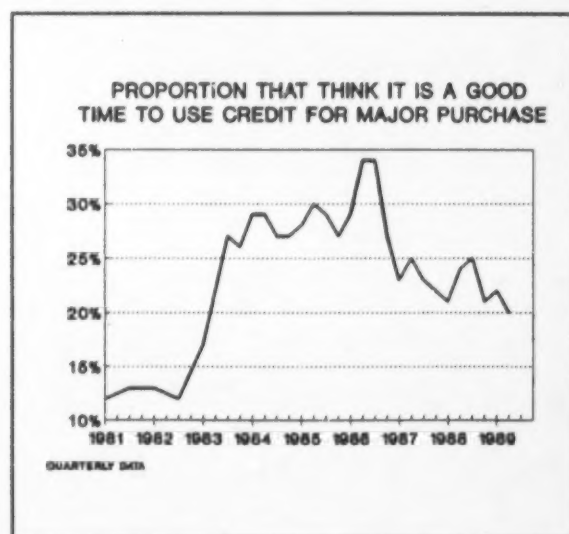
Inflation Expected to Ease

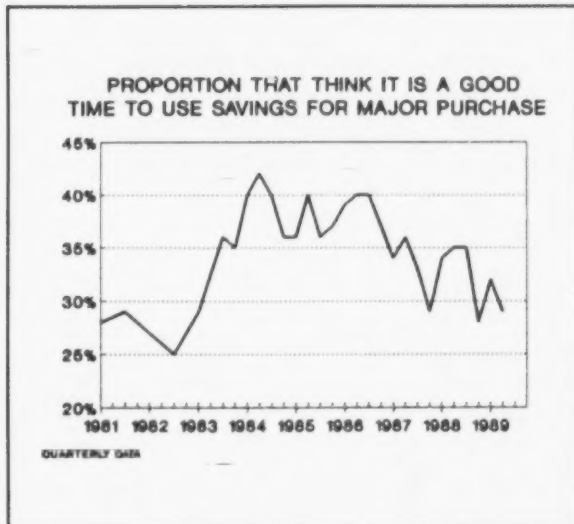
In the June 1989 survey, consumers expected the annual rate of inflation to average 5.0% during the year ahead. This was sharply below the 5.8% recorded in May and the 5.6% recorded in June 1988.

Cautious Spending Plans

The lack of improvement in personal finances has been reflected in more cautious spending plans. When asked whether they were reluctant to take on new debt or use accumulated savings to make large purchases, consumers have voiced an increasingly cautious outlook. Among all families in the June 1989 survey, 21 percent reported that they were not reluctant to buy on credit (see the chart below).

Willingness to use some of their accumulated savings in order to make a large purchase has also declined. In the June 1989 survey, 29 percent reported that they were not reluctant to use savings to make major purchases (see the chart on the next page).





Outlook for Economy: Continued Slow Growth

The majority of families in the June 1989 survey expected the performance of the national economy to remain unchanged during the year ahead. Among the balance of families, slightly more expected the economy to improve during the year ahead rather than worsen (24 versus 17 percent) in the June survey. This represented an improvement from one month earlier, when fewer families expected the economy to improve than to worsen (19 versus 22 percent).

The majority of families in the June 1989 survey expected the national unemployment rate to remain largely unchanged during the year ahead. Compared with a year ago, somewhat fewer families expected further declines (10, down from 15 percent), and fewer families expected increases (29, down from 31 percent).

Overall, good times financially in the country as a whole were expected by 48 percent of all families in the June 1989 survey, up from the 46 percent recorded one month earlier but still below the 54 percent recorded one year earlier.

While consumers continue to expect the economy

to avoid a recession during the year ahead, nearly half expected bad times financially in the country as a whole during the next five years or so (47 percent).

Interest Rate Expectations Post Significant Improvement

The proportion of families that expected interest rate increases during the year ahead fell to 54 percent in the June 1989 survey, down from 64 percent one month earlier and 75 percent two months earlier. The proportion that expected interest rate declines rose to 19 percent in June, from 7 percent two months earlier. Although the June reading was the most favorable in more than a year, interest rate expectations are still unfavorable and continue to exert a negative impact on purchase intentions.

Home Buying Attitudes Remain Unchanged

Favorable home buying attitudes were held by 61 percent of all families in the June 1989 survey, unchanged from the month earlier reading. Although the recent declines in mortgage interest rates did help to improve home buying attitudes, less favorable perceptions of prices left overall home buying attitudes unchanged.

Favorable references to home prices were reported by 17 percent of all families in the June 1989 survey, down from 22 percent in May, while complaints about high home prices rose to 16 from 13 percent.

Among all families, 22 percent favorably mentioned the recent declines in mortgage rates, up from 16 percent in May, while complaints about high rates fell to 23 from 25 percent. Overall, mortgage interest rates continued to have a negative influence on home buying attitudes, and represent the major factor for the overall weakness in the housing market compared with one or two years earlier.

Vehicle Buying Attitudes

Vehicle buying attitudes edged downward in the June survey from the levels recorded in the Spring. Favorable attitudes toward buying conditions for vehicles were held by 61 percent of all families in the June 1989 survey, down from 63 percent in May and 65 percent in April.

Household Durables

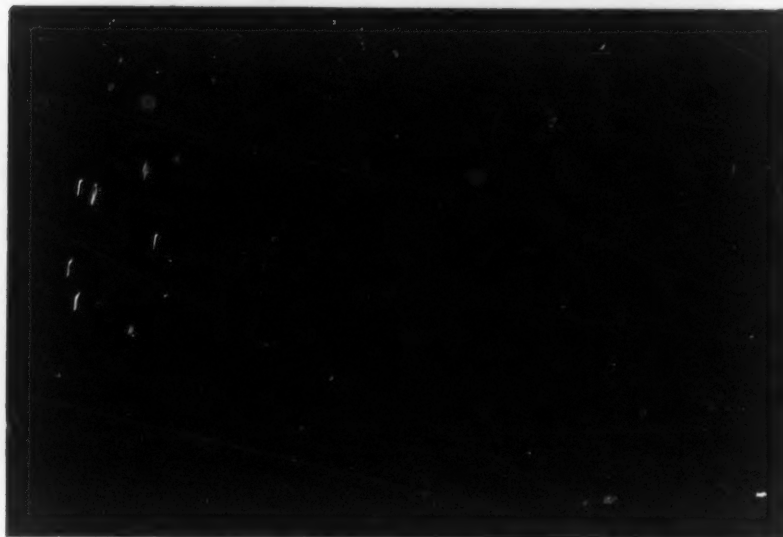
Favorable attitudes toward buying conditions for furniture, appliances, and home electronic goods were held by 71 percent of all families in the June 1989 survey, just below the 73 percent recorded one month earlier and the 74 percent recorded one year earlier. These positive buying attitudes continue to be based on the availability of price discounts, reported by 30 percent of all families in the June survey, unchanged from one year ago.

★ ★ ★

The June 1989 survey included 507 completed interviews conducted between June 1 and June 29, 1989.

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SURVEYS OF CONSUMERS



Institute for Social Research

SURVEYS OF CONSUMERS

JUNE 1989

The June 1989 survey was the 251st in a series of Surveys of Consumers conducted by the Survey Research Center at The University of Michigan. Initiated in 1946, these periodic surveys provide regular assessments of consumer attitudes and expectations, and are used to evaluate economic trends and prospects. The surveys are designed to explore why changes in consumer attitudes and expectations occur, and how these changes influence consumer spending and saving decisions.

All surveys are subject to sampling error because not all members of the population are interviewed. Most results for the total sample will differ by no more than 5 percentage points in either direction from what would have been obtained by using the same methods on the entire population. See the back of this book for sampling error information.

While every effort is made to accurately measure consumer attitudes and expectations, factors other than sampling may also affect the accuracy of these (and other) findings. These factors may include effects of the question wording, the ability of respondents to articulate answers and opinions, refusal to participate in the survey, and incomplete coverage of the population. There are no standard measures of these effects, but their presence should be acknowledged when using these and all other survey data. While measurement effects are present in all surveys, a noted advantage of time-series data is that the non-sampling influences remain relatively constant across samples.

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1.	The Index of Consumer Sentiment
2.	Index of Consumer Sentiment within Region and Age Subgroups
3.	Components of the Index of Consumer Sentiment
4.	Current Financial Situation Compared to a Year Ago
5.	Selected Reasons for Opinions About Personal Financial Situation
6.	Expected Change in Financial Situation
7.	Trend in Personal Financial Situation
8.	Expected Family Income Change During the Next 12 Months
9.	Expected Change in Real Family Income
10.	News Heard of Recent Changes in Business Conditions
11.	Selected Items of News Heard of Recent Changes in Business Conditions
12.	Current Business Conditions Compared to a Year Ago
13.	Expected Change in Business Conditions in a Year
14.	Trend in Past and Expected Changes in Business Conditions
15.	Business Conditions Expected During the Next 12 Months
16.	Business Conditions Expected During the Next 5 Years
17.	Expected Change in Unemployment
18.	Expected Change in Interest Rates
19.	Expected Change in Prices During the Next 12 Months
20.	Opinions About the Government's Economic Policy
21.	Buying Conditions for Large Household Goods
22.	Selected Reasons About Buying Conditions for Large Household Goods
23.	Buying Conditions for Houses
24.	Selected Reasons for Opinions About Buying Conditions for Houses
25.	Buying Conditions for Cars
26.	Selected Reasons for Opinions About Buying Conditions for Cars

CHART 1 - RECENT CHANGES
THE INDEX OF CONSUMER SENTIMENT



CHART 1 - HISTORICAL SERIES
THE INDEX OF CONSUMER SENTIMENT

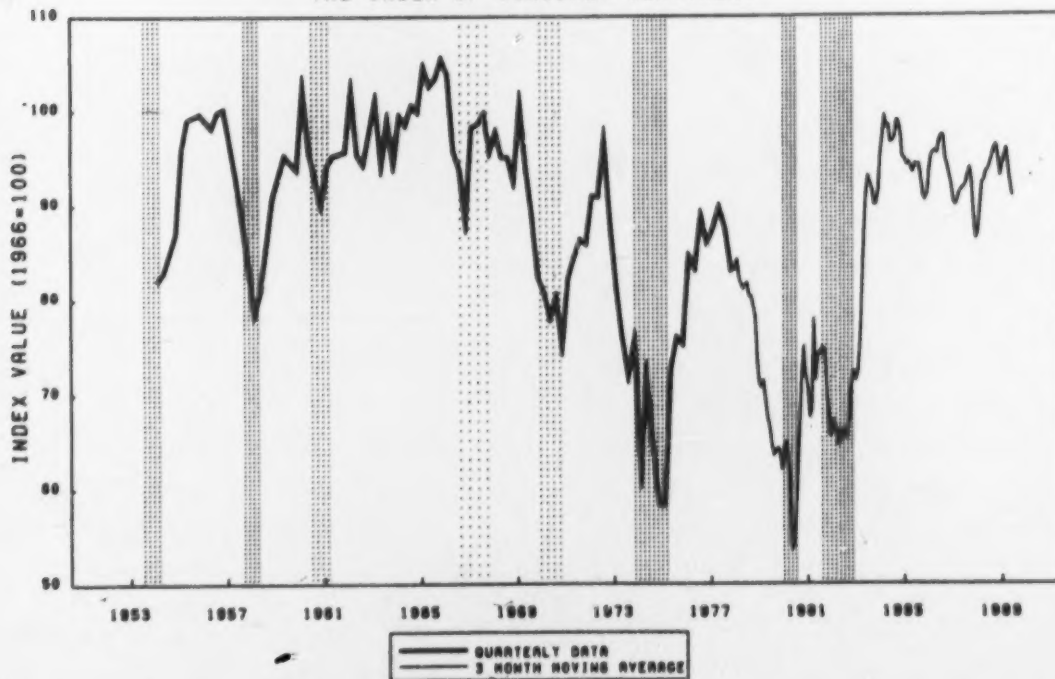


TABLE 1
THE INDEX OF CONSUMER SENTIMENT

DATE OF SURVEY	All families	Families with incomes over \$30,000	Families with incomes over \$40,000
June 1986	99.3	110.6	112.4
July 1986	97.7	109.6	108.5
August 1986	94.9	105.0	106.6
September 1986	91.9	99.5	102.1
October 1986	95.6	102.8	105.5
November 1986	91.4	97.5	98.7
December 1986	89.1	98.7	98.3
January 1987	90.4	101.2	104.0
February 1987	90.2	103.6	103.6
March 1987	90.8	97.8	96.1
April 1987	92.8	98.5	103.1
May 1987	91.1	97.7	99.2
June 1987	91.5	102.9	102.9
July 1987	93.7	102.5	104.0
August 1987	94.4	104.4	109.1
September 1987	93.6	100.6	104.3
October 1987	89.3	99.9	101.8
November 1987	83.1	87.7	90.5
December 1987	86.8	94.5	96.1
January 1988	90.8	99.0	99.9
February 1988	91.6	98.1	100.8
March 1988	94.6	103.7	104.6
April 1988	91.2	99.1	99.6
May 1988	94.8	106.6	108.3
June 1988	94.7	102.3	102.7
July 1988	93.4	100.5	103.9
August 1988	97.4	105.1	104.2
September 1988	97.3	102.8	105.4
October 1988	94.1	103.0	103.7
November 1988	93.0	102.0	101.0
December 1988	91.9	97.0	99.5
January 1989	97.9	108.4	106.8
February 1989	95.4	104.6	109.6
March 1989	94.3	98.6	100.0
April 1989	91.5	99.1	99.8
May 1989	90.7	100.6	100.3
June 1989	90.6	95.2	95.4

CHART 2A - HISTORICAL SERIES
INDEX OF CONSUMER SENTIMENT WITHIN REGION SUBGROUPS

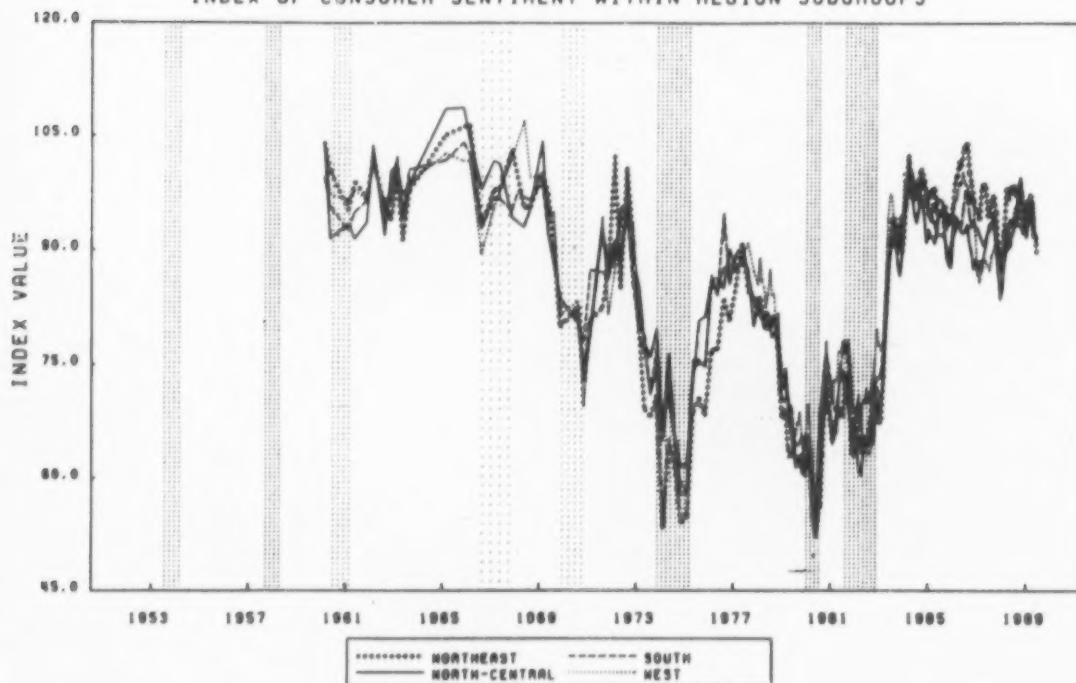


CHART 2B - HISTORICAL SERIES
INDEX OF CONSUMER SENTIMENT WITHIN AGE SUBGROUPS

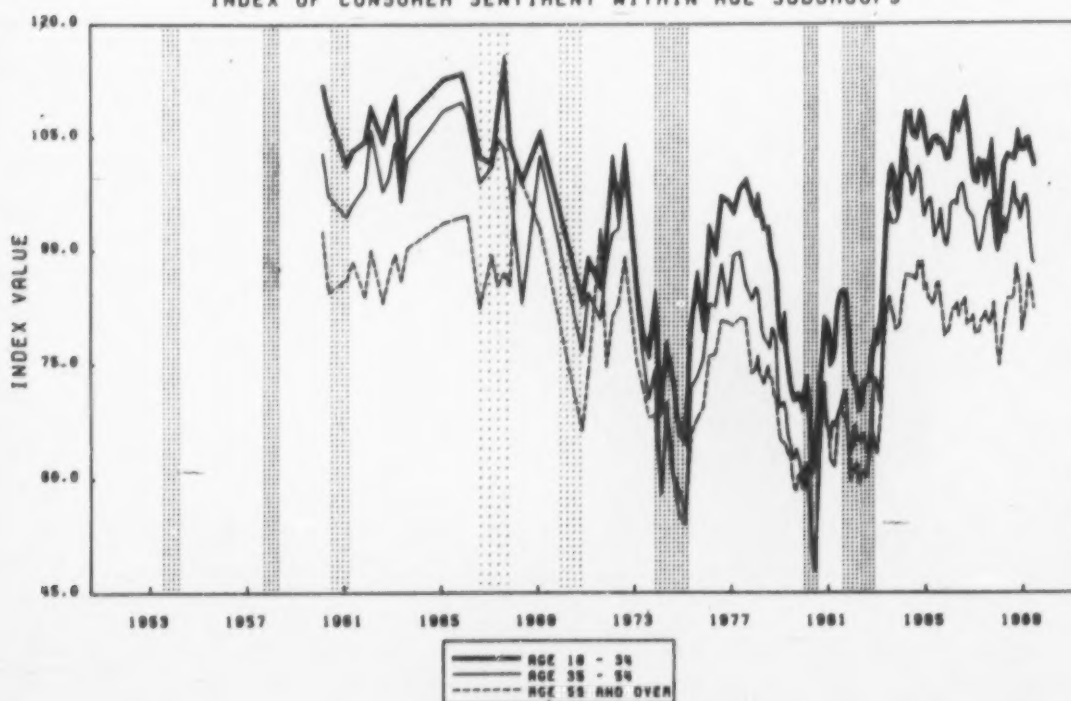


TABLE 2
INDEX OF CONSUMER SENTIMENT WITHIN REGION AND AGE SUBGROUPS

DATE OF SURVEY	CENSUS REGION				AGE OF RESPONDENT		
	North East	North Central	South	West	18-34	35-54	55+
June 1986	106.2	94.1	98.5	102.7	112.7	97.9	86.6
July 1986	103.9	93.4	101.7	94.7	108.2	98.6	84.5
August 1986	102.5	92.6	90.5	98.2	107.9	95.2	80.1
September 1986	94.6	87.0	91.9	95.8	106.3	92.4	76.1
October 1986	99.1	90.0	96.5	99.3	102.5	97.3	85.7
November 1986	95.8	85.6	93.2	92.3	99.5	94.2	80.4
December 1986	91.8	90.4	89.5	84.0	98.0	91.3	78.3
January 1987	98.1	85.9	96.0	83.9	99.9	91.2	78.4
February 1987	92.4	89.5	90.7	89.2	99.1	89.2	81.5
March 1987	104.6	86.3	87.5	91.2	106.4	89.3	77.7
April 1987	99.4	91.7	93.7	87.2	99.0	95.1	83.5
May 1987	91.3	92.9	92.1	87.1	99.5	92.8	82.1
June 1987	92.5	92.2	91.5	89.7	99.0	95.5	80.0
July 1987	100.1	95.7	93.8	85.2	103.0	97.8	80.2
August 1987	99.0	91.0	95.2	93.2	103.3	95.8	80.8
September 1987	92.2	94.7	94.9	91.5	104.1	95.4	82.6
October 1987	93.8	87.2	88.3	89.1	92.0	89.9	86.2
November 1987	83.9	79.6	87.9	79.4	91.7	86.6	70.8
December 1987	83.4	83.6	90.4	89.2	94.1	92.9	73.6
January 1988	99.8	91.3	87.6	88.5	98.3	93.6	80.1
February 1988	93.7	92.1	92.8	86.3	102.5	90.3	79.9
March 1988	101.2	92.9	91.6	95.3	103.5	98.9	80.0
April 1988	94.9	93.9	88.6	89.0	100.0	87.5	86.6
May 1988	99.1	95.5	91.1	97.3	104.2	95.4	84.7
June 1988	98.1	91.2	95.9	95.2	103.1	102.0	79.5
July 1988	98.3	92.0	91.8	94.0	99.6	93.0	86.6
August 1988	95.7	100.9	94.4	98.5	103.6	101.7	86.3
September 1988	95.2	101.9	93.3	97.6	106.1	93.3	91.4
October 1988	91.8	96.1	92.9	96.6	105.8	94.6	82.0
November 1988	95.8	90.6	90.5	98.9	100.4	94.3	82.2
December 1988	90.8	90.2	96.1	88.0	103.7	97.1	73.9
January 1989	96.9	94.2	99.9	102.2	105.8	100.3	86.7
February 1989	103.5	99.2	88.8	93.6	104.3	94.2	86.7
March 1989	91.5	95.8	96.1	92.2	103.9	91.8	87.0
April 1989	83.9	94.6	93.4	90.3	101.0	87.5	83.8
May 1989	99.9	86.7	87.3	94.3	102.2	86.9	81.9
June 1989	84.7	91.2	94.4	89.8	100.0	90.4	81.1

TABLE 9
EXPECTED CHANGE IN REAL FAMILY INCOME

	June 1988	July 1988	Aug. 1988	Sept 1988	Oct. 1988	Nov. 1988	Dec. 1988	Jan. 1989	Feb. 1989	Mar. 1989	Apr. 1989	May 1989	June 1989
INCOME UP MORE	18%	19%	20%	25%	18%	21%	17%	19%	18%	17%	18%	22%	16%
INCOME UP SAME	46	46	43	41	46	43	41	41	43	44	43	37	39
PRICES UP MORE	33	34	32	31	34	33	40	37	36	37	37	38	42
DK,NA	3	1	5	3	2	3	2	3	3	2	2	3	3
TOTAL	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%
CASES	500	501	500	500	501	508	500	501	500	502	500	503	507

The question was: "How about the next year or two--do you expect that your (family) income will go up more than prices will go up, about the same, or less than prices will go up?"

CHART 3 - RECENT CHANGES
CURRENT AND EXPECTED COMPONENTS

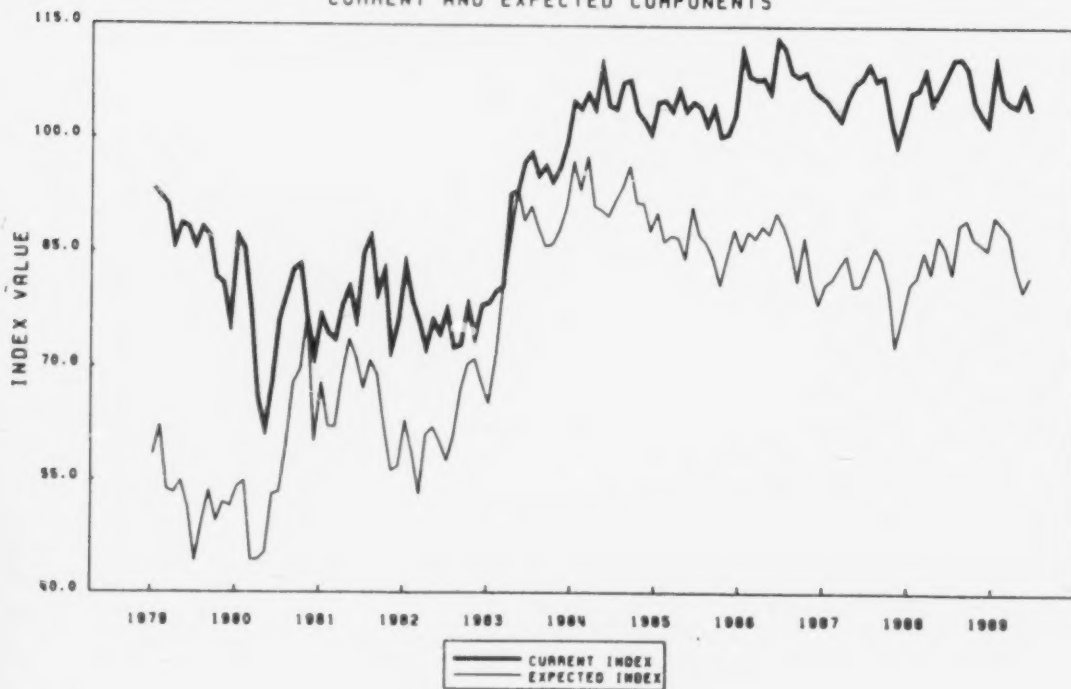


CHART 3 - HISTORICAL SERIES
CURRENT AND EXPECTED COMPONENTS

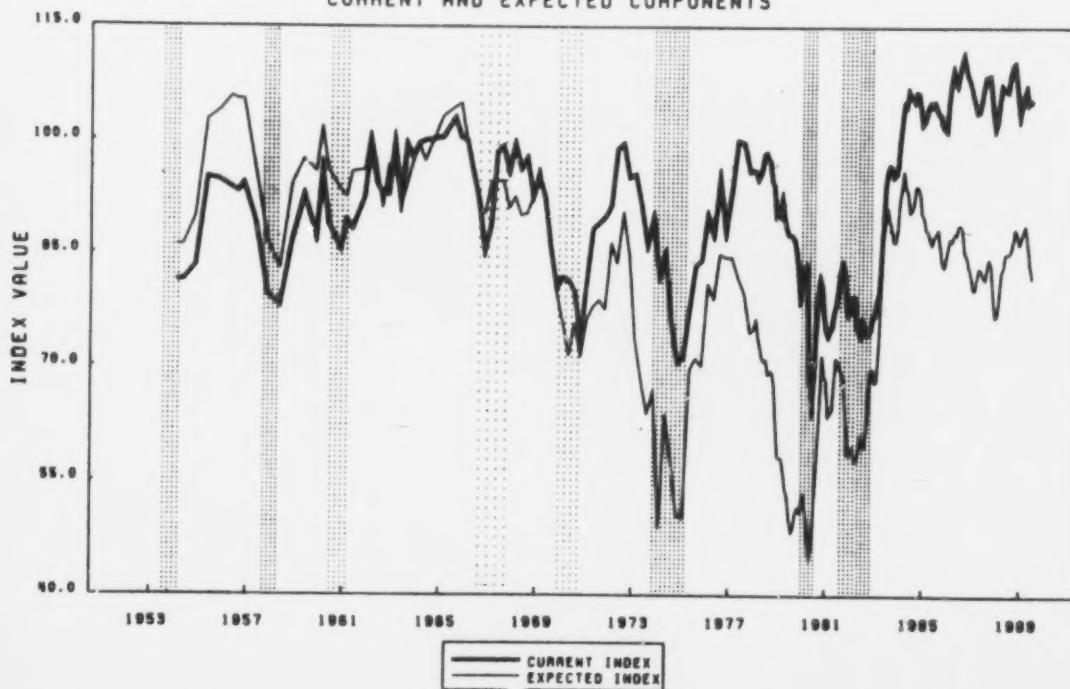


TABLE 3
COMPONENTS OF THE INDEX OF CONSUMER SENTIMENT

DATE OF SURVEY		INDEX COMPONENTS +						Current Index (1,5)	Expected Index (2,3,4)
		Personal finances		Business conditions		Buying conds. (5)			
		Current	Expected	12 months	5 years				
		(1)	(2)	(3)	(4)				
June 1986		124	127	136	100	170	113.3	90.3	
July 1986		126	130	131	94	165	112.1	88.5	
August 1986		121	128	123	94	161	108.9	85.9	
September 1986		120	127	115	84	161	108.3	81.3	
October 1986		120	127	124	99	162	108.9	87.1	
November 1986		121	121	120	87	155	106.7	81.6	
December 1986		116	127	104	83	158	105.8	78.3	
January 1987		120	130	117	77	152	105.1	80.9	
February 1987		115	126	117	84	153	103.7	81.6	
March 1987		114	122	121	92	152	102.5	83.3	
April 1987		116	127	116	97	158	105.5	84.7	
May 1987		117	121	114	89	161	107.4	80.6	
June 1987		120	122	113	89	161	108.1	80.8	
July 1987		123	123	118	94	162	109.9	83.3	
August 1987		122	127	125	93	157	107.8	85.8	
September 1987		119	124	122	92	162	108.3	84.2	
October 1987		118	128	105	90	149	103.1	80.4	
November 1987		115	118	93	80	142	99.3	72.7	
December 1987		119	120	98	89	147	102.7	76.7	
January 1988		122	131	110	84	154	106.2	80.9	
February 1988		122	130	108	90	155	106.6	81.9	
March 1988		127	133	114	96	156	109.1	85.2	
April 1988		117	125	117	89	154	104.8	82.4	
May 1988		111	127	125	98	165	106.5	87.3	
June 1988		119	129	121	95	163	108.6	85.7	
July 1988		120	128	106	96	167	110.7	82.3	
August 1988		127	127	125	105	160	110.8	88.8	
September 1988		127	133	125	102	157	109.4	89.5	
October 1988		114	124	129	97	158	105.0	87.0	
November 1988		112	128	122	97	156	103.3	86.3	
December 1988		114	127	119	98	150	102.0	85.5	
January 1989		121	131	128	103	165	110.3	89.9	
February 1989		120	130	128	99	154	105.7	88.8	
March 1989		116	131	123	98	156	104.8	87.6	
April 1989		113	130	113	91	158	104.4	83.2	
May 1989		121	125	107	89	157	107.1	80.1	
June 1989		115	123	115	90	155	104.1	82.0	

(1) See Table 4.

(2) See Table 6.

(3) See Table 15.

(4) See Table 16.

(5) See Table 21.

+ : Percent saying "GOOD TIMES" (or "BETTER"), minus percent saying "BAD TIMES" (or "WORSE"), plus 100.

CHART 4 - RECENT CHANGES
CURRENT FINANCIAL SITUATION COMPARED WITH A YEAR AGO



CHART 4 - HISTORICAL SERIES
CURRENT FINANCIAL SITUATION COMPARED WITH A YEAR AGO

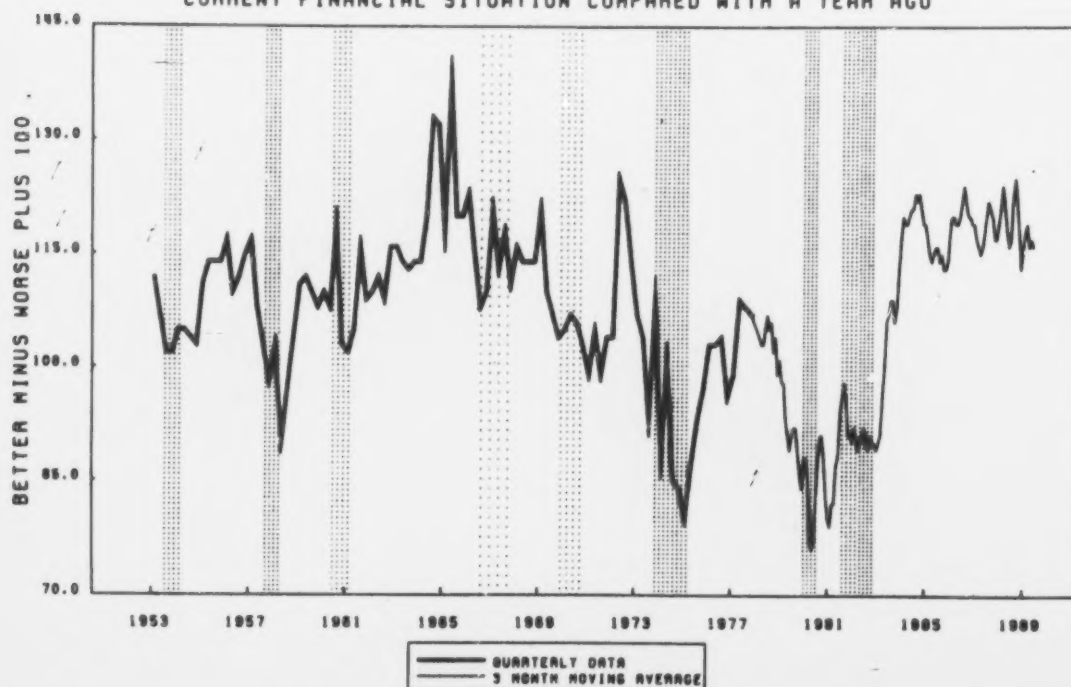


TABLE 4
CURRENT FINANCIAL SITUATION COMPARED TO A YEAR AGO

	June 1988	July 1988	Aug. 1988	Sept 1988	Oct. 1988	Nov. 1988	Dec. 1988	Jan. 1989	Feb. 1989	Mar. 1989	Apr. 1989	May 1989	June 1989
BETTER OFF	43%	45%	50%	49%	42%	41%	39%	44%	44%	42%	42%	45%	38%
SAME	32	29	26	28	30	30	36	33	31	32	29	31	38
WORSE OFF	24	25	23	22	28	29	25	23	24	26	29	24	23
DK,NA	1	1	1	1	*	*	*	*	1	*	*	*	1
TOTAL	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%
CASES	500	501	500	500	501	508	500	501	500	502	500	503	507

The question was: "We are interested in how people are getting along financially these days. Would you say that you (and your family living there) are better off or worse off financially than you were a year ago?"

* : Less than half of one percent.

CHART 5A - HISTORICAL SERIES
REASONS FOR OPINIONS ABOUT PERSONAL FINANCIAL SITUATION

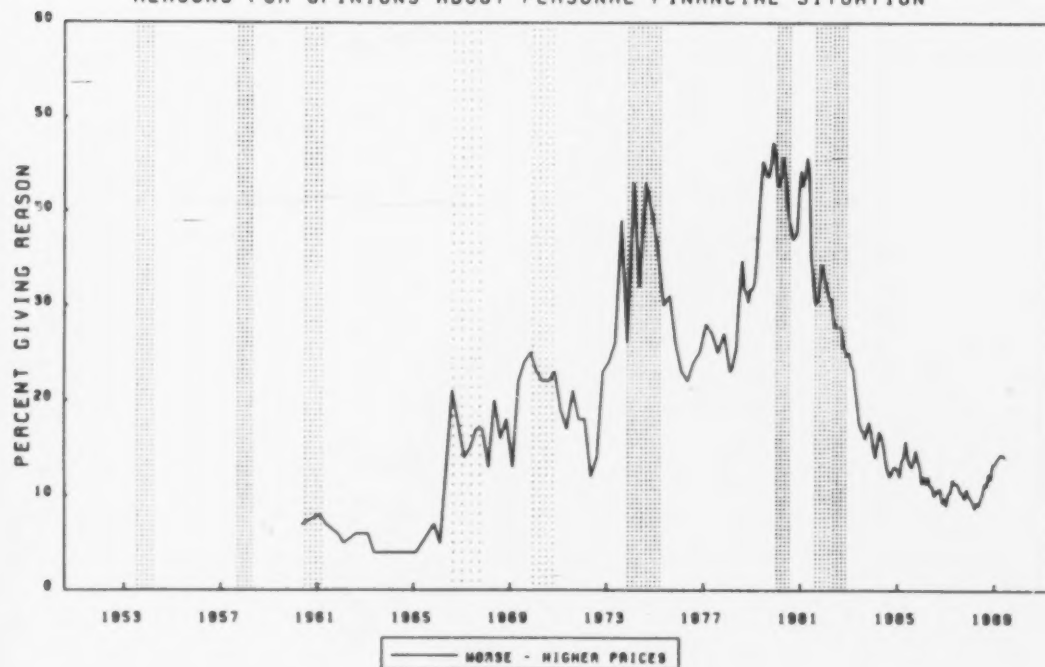


CHART 5B - HISTORICAL SERIES
REASONS FOR OPINIONS ABOUT PERSONAL FINANCIAL SITUATION

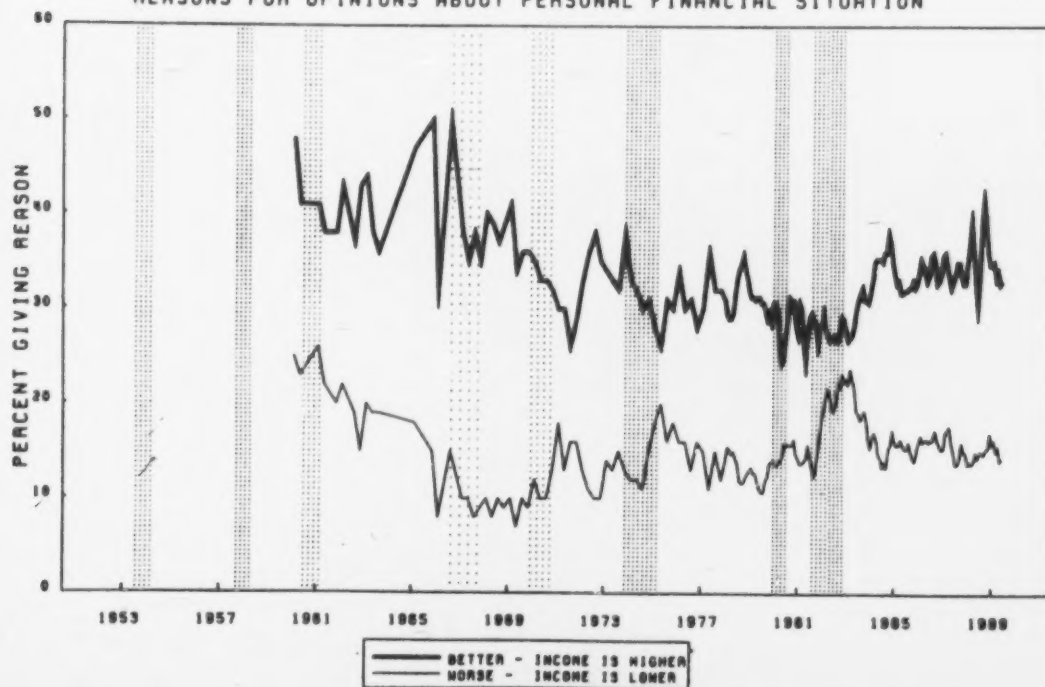


TABLE 5

SELECTED REASONS FOR OPINIONS ABOUT PERSONAL FINANCIAL SITUATION +

	June 1988	July 1988	Aug. 1988	Sept 1988	Oct. 1988	Nov. 1988	Dec. 1988	Jan. 1989	Feb. 1989	Mar. 1989	Apr. 1989	May 1989	June 1989
BETTER OFF THAN YEAR AGO:													
Income is higher	32%	40%	45%	40%	34%	35%	35%	34%	36%	30%	36%	32%	31%
WORSE OFF THAN YEAR AGO:													
Income is lower	13	16	16	12	18	16	17	14	18	13	16	13	14
Higher prices	10	11	13	9	15	11	14	15	12	15	16	12	14

Responses to the query: "Why do you say so?" following the question on Table 4.

+ : May add to more than 100% due to multiple mentions.

CHART 6 - RECENT CHANGES
EXPECTED CHANGE IN FINANCIAL SITUATION

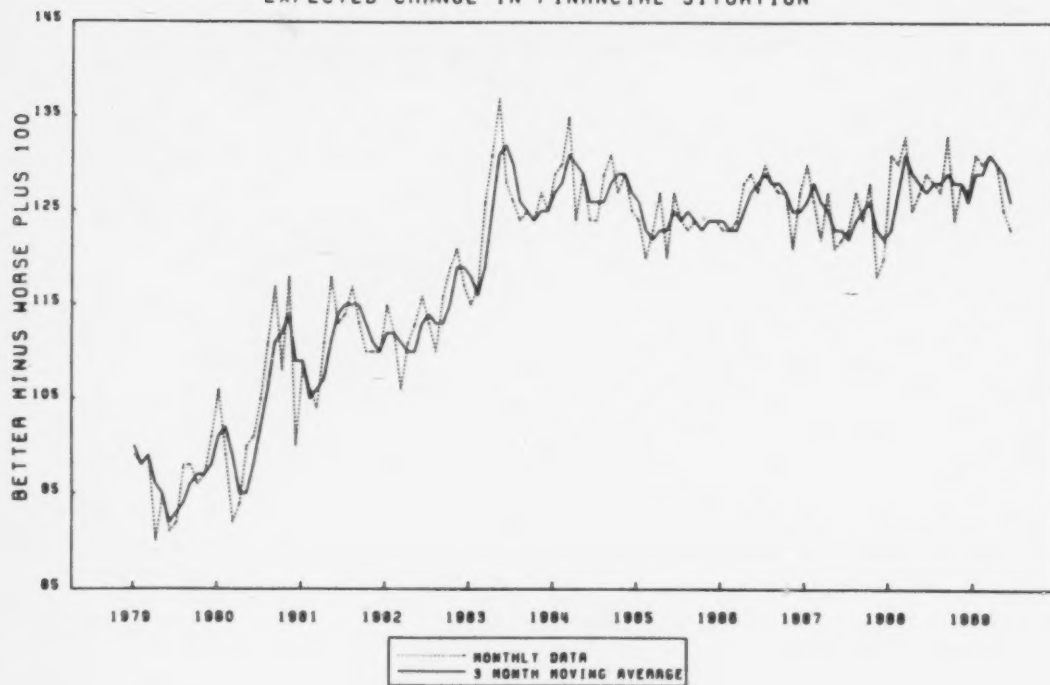


CHART 6 - HISTORICAL SERIES
EXPECTED CHANGE IN FINANCIAL SITUATION

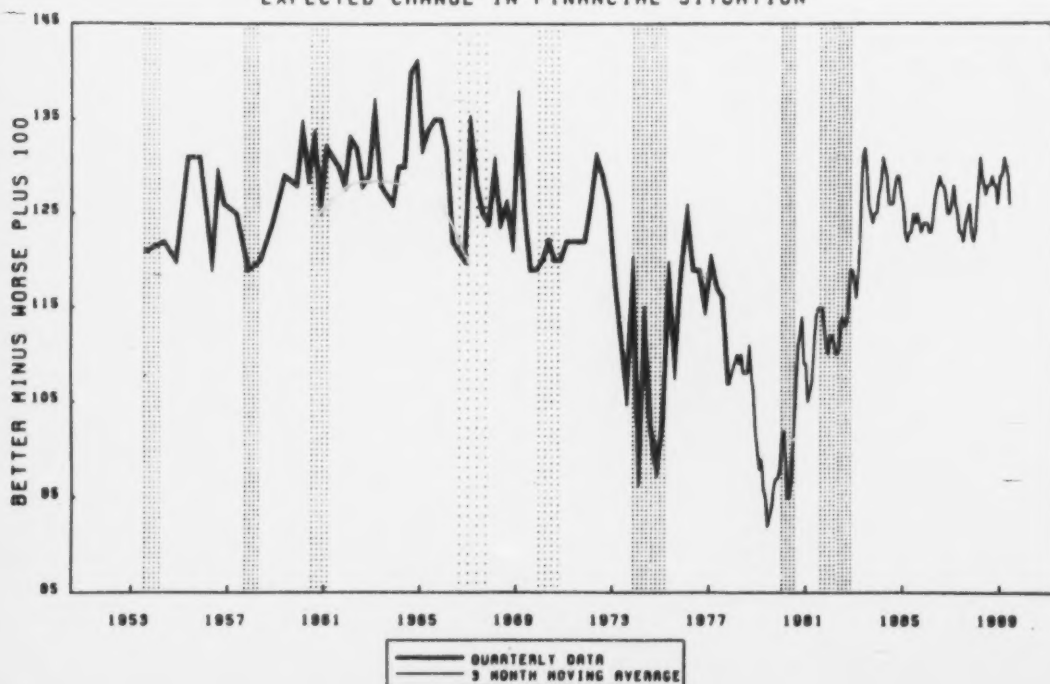


TABLE 6
EXPECTED CHANGE IN FINANCIAL SITUATION

	June 1988	July 1988	Aug. 1988	Sept 1988	Oct. 1988	Nov. 1988	Dec. 1988	Jan. 1989	Feb. 1989	Mar. 1989	Apr. 1989	May 1989	June 1989
BETTER OFF	39%	38%	36%	41%	36%	37%	39%	41%	40%	40%	41%	39%	34%
SAME	48	48	49	47	48	49	46	47	46	49	46	45	52
WORSE OFF	10	10	9	8	12	9	12	10	10	9	11	14	11
DK,NA	3	4	6	4	4	5	3	2	4	2	2	2	3
TOTAL	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%
CASES	500	501	500	500	501	508	500	501	500	502	500	503	507

The question was: "Now looking ahead--do you think that a year from now you (and your family living there) will be better off financially, or worse off, or just about the same as now?"

CHART 7 - RECENT CHANGES
TREND IN PERSONAL FINANCIAL SITUATION



CHART 7 - HISTORICAL SERIES
TREND IN PERSONAL FINANCIAL SITUATION

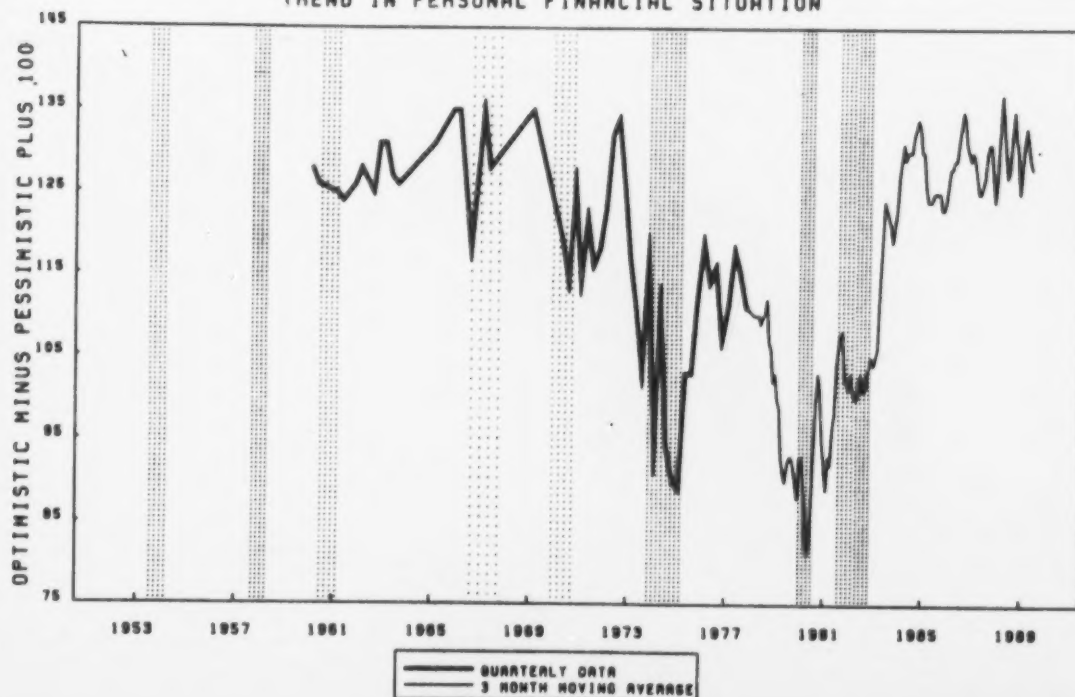


TABLE 7

TREND IN PERSONAL FINANCIAL SITUATION

	June 1988	July 1988	Aug. 1988	Sept 1988	Oct. 1988	Nov.-Dec. 1988	Jan. 1989	Feb. 1989	Mar. 1989	Apr. 1989	May 1989	June 1989
PERSONAL FINANCIAL PROGRESS:												
Continuous increase (a)	24%	19%	25%	25%	20%	21%	22%	23%	22%	20%	21%	16%
Intermittant increase (b)	25	31	26	28	25	25	23	29	29	29	27	31
Remain unchanged (c)	19	16	16	17	18	18	20	18	17	18	17	22
Intermittant decline (d)	16	13	14	10	15	16	16	13	12	15	13	18
Continuous decline (e)	4	4	4	3	6	4	4	5	5	4	7	4
Mixed change (f)	9	13	8	12	11	11	11	10	11	12	13	9
DK,NA	3	4	7	5	5	5	4	2	4	2	2	3
TOTAL	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%
CASES	500	501	500	500	501	508	500	501	500	502	500	503

Combination of the responses to the questions on Tables 4 and 6.

Key: (a) Better off financially than a year ago/Better off a year from now
 (b) Better/Same or Same/Better
 (c) Same/Same
 (d) Worse/Same or Same/Worse
 (e) Worse/Worse
 (f) Worse/Better or Better/Worse

CHART 8 - RECENT CHANGES
 MEDIAN EXPECTED CHANGE IN FAMILY INCOME

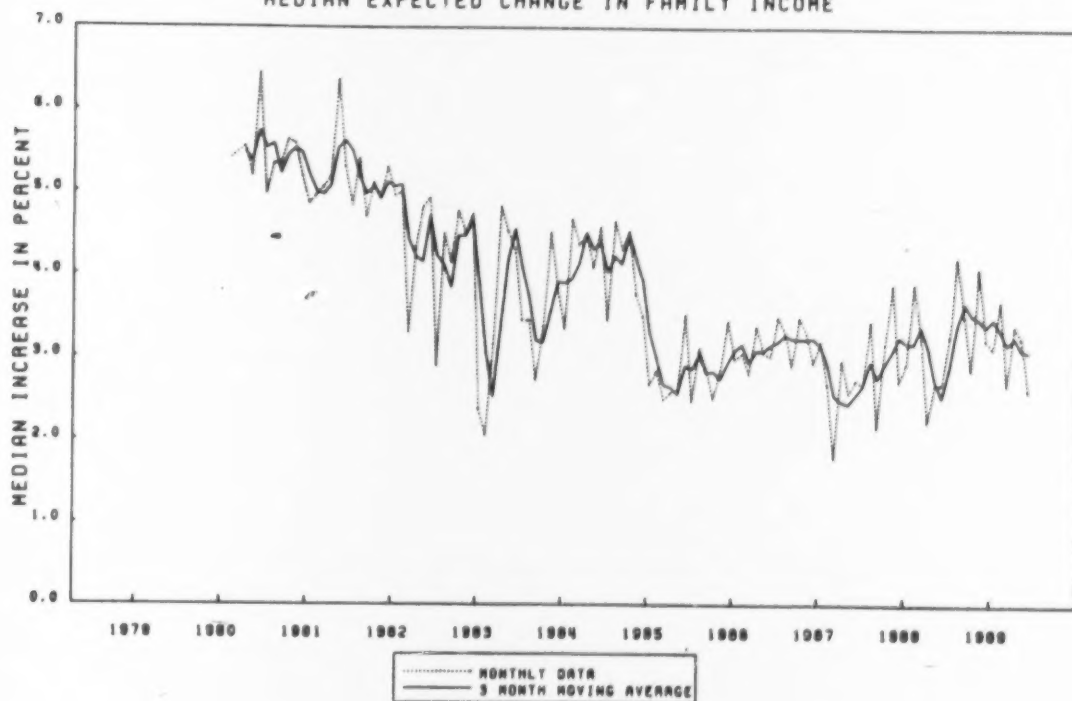


CHART 8 - HISTORICAL SERIES
 MEDIAN EXPECTED CHANGE IN FAMILY INCOME

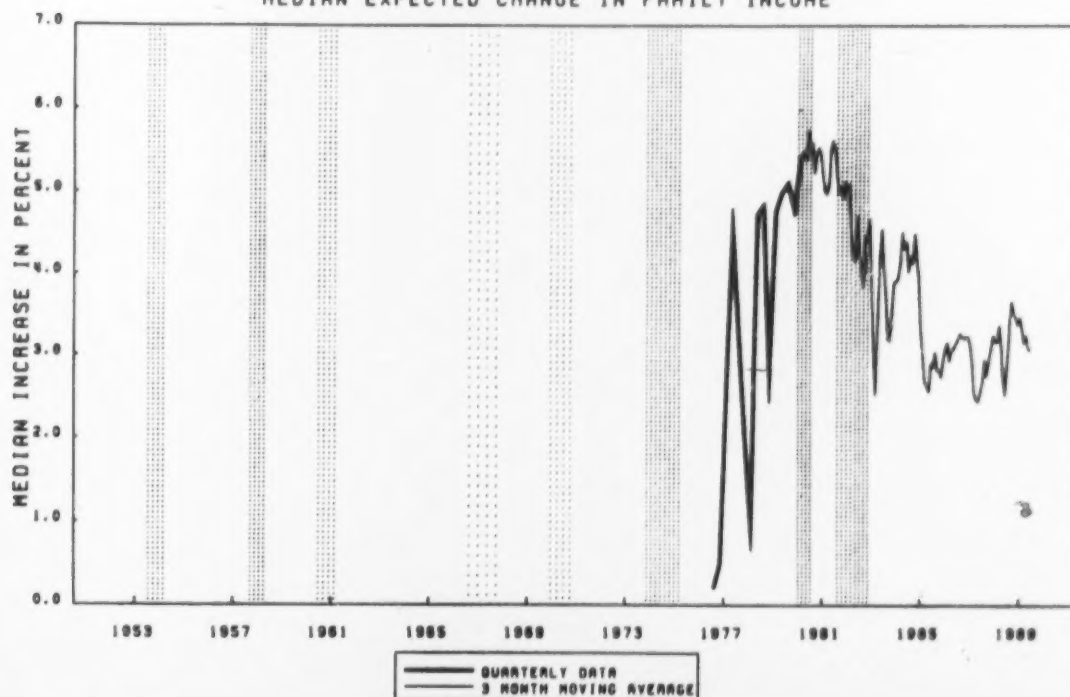


TABLE 8

EXPECTED FAMILY INCOME CHANGE DURING THE NEXT 12 MONTHS

	June 1988	July 1988	Aug. 1988	Sept 1988	Oct. 1988	Nov. 1988	Dec. 1988	Jan. 1989	Feb. 1989	Mar. 1989	Apr. 1989	May 1989	June 1989
EXPECT INCREASE:													
1-4%	15%	18%	14%	16%	16%	18%	21%	15%	17%	16%	17%	16%	18%
5%	9	10	14	10	12	11	11	9	15	10	12	9	11
6-9%	7	10	9	8	6	9	7	10	7	7	7	7	6
10-24%	15	14	17	16	15	15	15	14	15	14	15	17	14
25% or more	6	7	5	8	6	7	6	8	7	7	7	8	6
DK how much up	5	5	6	6	5	7	4	4	5	5	5	4	5
EXPECT SAME	28	24	25	25	27	20	22	27	22	27	23	26	27
EXPECT DOWN	13	11	9	10	12	11	13	13	11	14	12	12	12
DK,NA	2	1	1	1	1	2	1	*	1	*	2	1	1
TOTAL	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%
CASES	500	501	500	500	501	508	500	501	500	502	500	503	507

The questions were: "During the next 12 months, do you expect your (family) income to be higher or lower than during the past year?" and "By about what percent do you expect your (family) income to increase during the next 12 months?"

* : Less than half of one percent.

CHART 9 - RECENT CHANGES
INCOME OR PRICES UP MORE NEXT YEAR

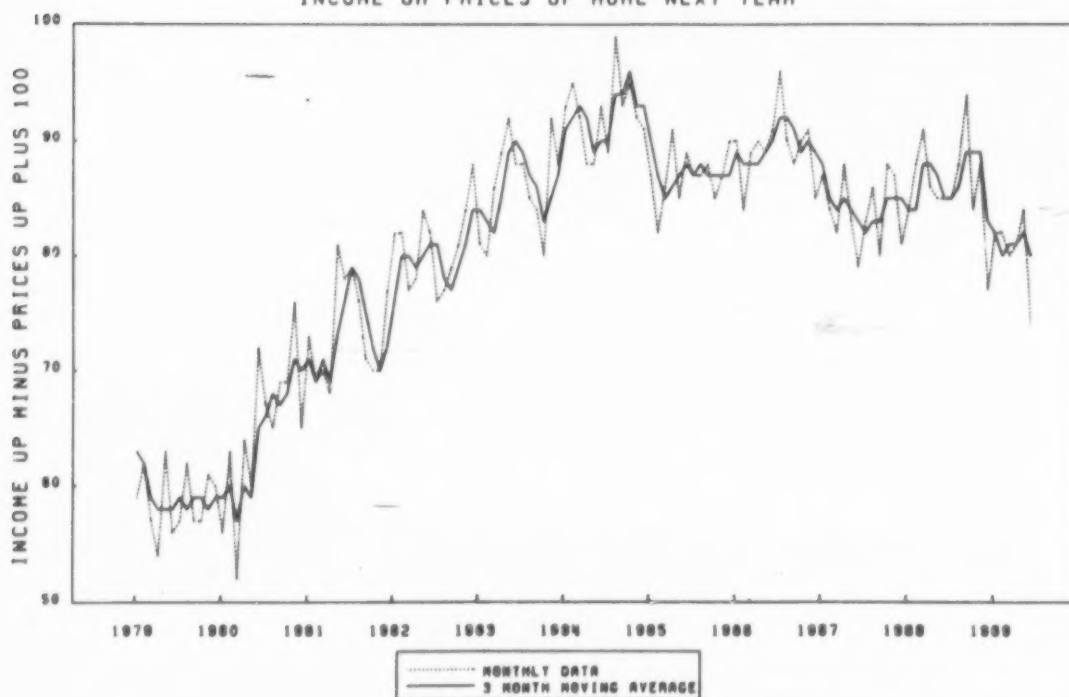


CHART 9 - HISTORICAL SERIES
INCOME OR PRICES UP MORE NEXT YEAR

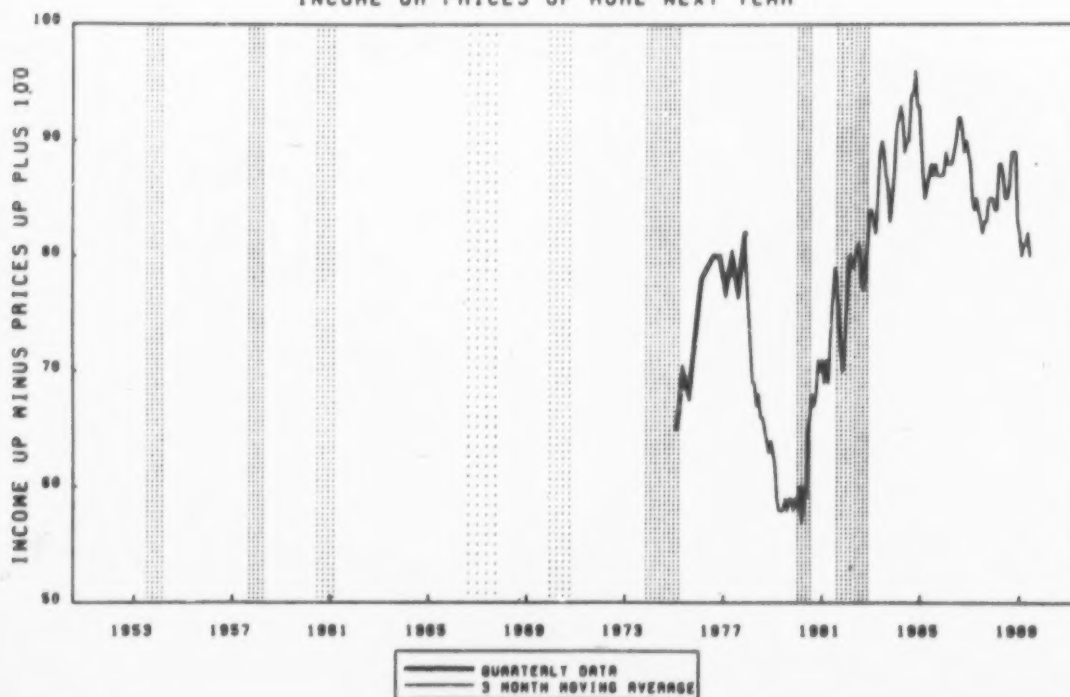


CHART 10 - RECENT CHANGES
NEWS HEARD OF RECENT CHANGES IN BUSINESS CONDITIONS

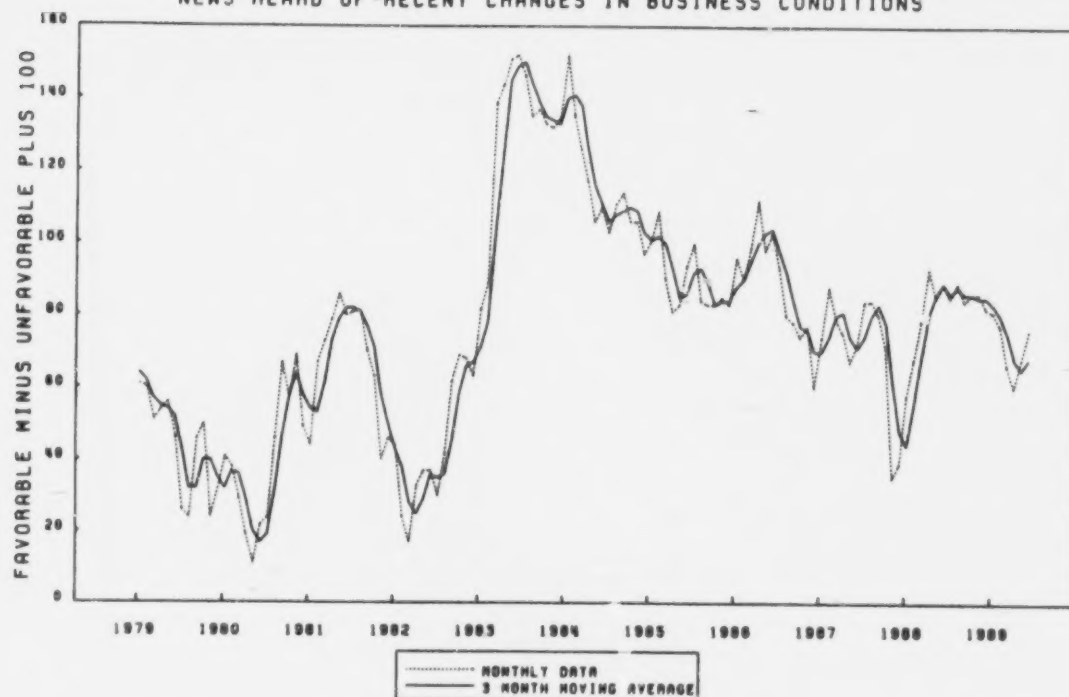


CHART 10 - HISTORICAL SERIES
NEWS HEARD OF RECENT CHANGES IN BUSINESS CONDITIONS

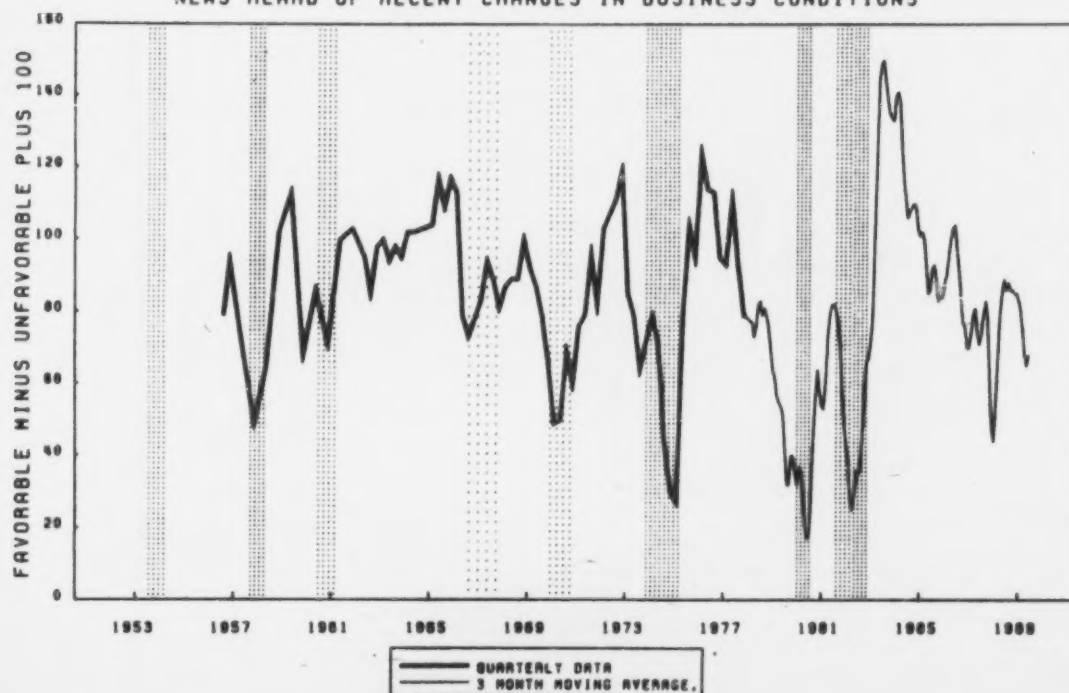


TABLE 10
NEWS HEARD OF RECENT CHANGES IN BUSINESS CONDITIONS +

	June 1988	July 1988	Aug. 1988	Sept 1988	Oct. 1988	Nov. 1988	Dec. 1988	Jan. 1989	Feb. 1989	Mar. 1989	Apr. 1989	May 1989	June 1989
FAVORABLE NEWS	29%	29%	28%	32%	29%	25%	30%	24%	27%	22%	18%	22%	23%
UNFAVORABLE NEWS	40	44	39	48	43	39	48	43	50	56	58	54	47
NO MENTIONS	50	50	53	46	52	54	50	55	48	49	48	48	53

The questions were: "During the last few months, have you heard of any favorable or unfavorable changes in business conditions?" and "What did you hear?"

+ : May add to more than 100% due to multiple mentions.

CHART 11A - HISTORICAL SERIES
TYPE OF NEWS HEARD ABOUT CHANGES IN BUSINESS CONDITIONS

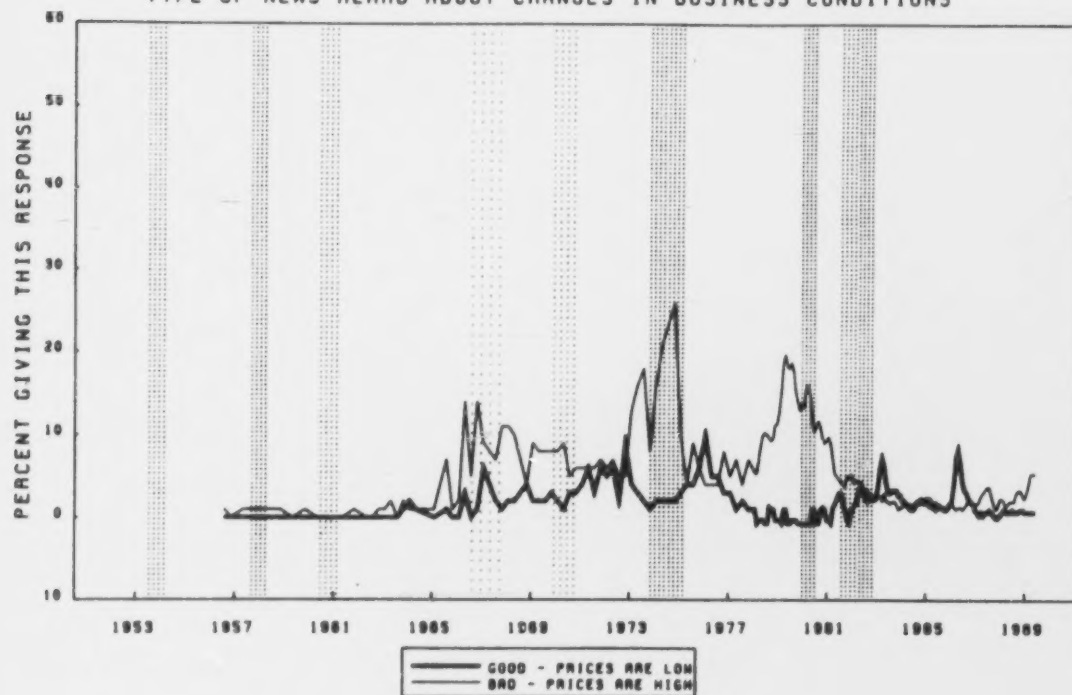


CHART 11B - HISTORICAL SERIES
TYPE OF NEWS HEARD ABOUT CHANGES IN BUSINESS CONDITIONS

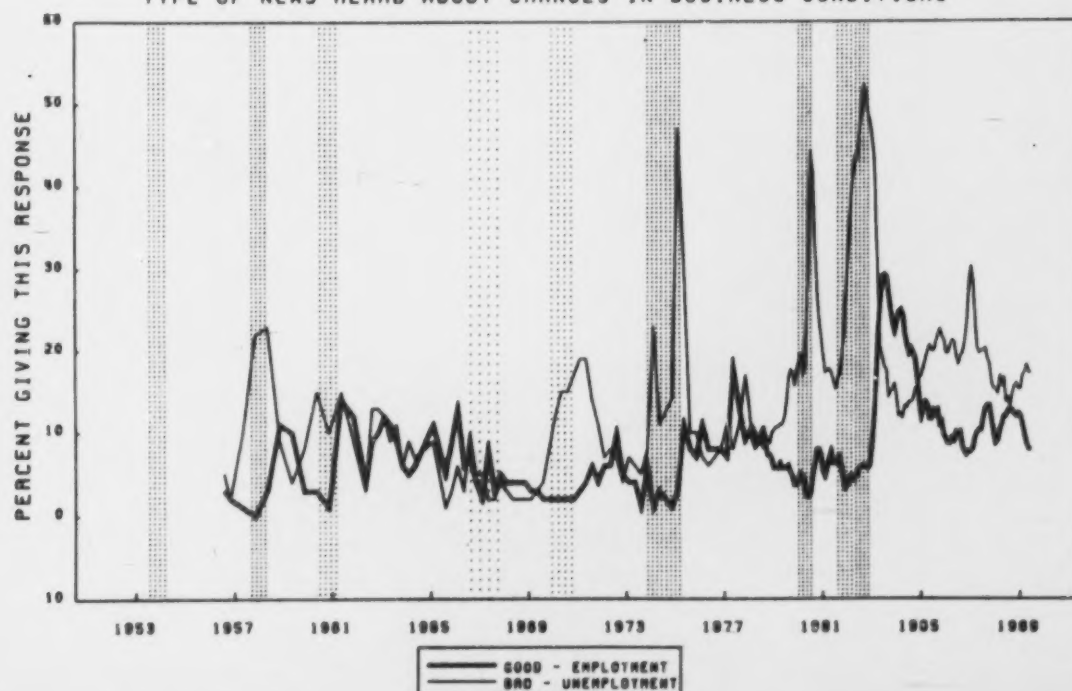


TABLE 11
SELECTED ITEMS OF
NEWS HEARD OF RECENT CHANGES IN BUSINESS CONDITIONS +

	June 1988	July 1988	Aug. 1988	Sept 1988	Oct. 1988	Nov. 1988	Dec. 1988	Jan. 1989	Feb. 1989	Mar. 1989	Apr. 1989	May 1989	June 1989
FAVORABLE NEWS:													
Government; elections	2%	1%	2%	3%	2%	2%	4%	2%	5%	3%	1%	1%	1%
Employment	11	13	14	11	12	13	12	11	10	8	8	8	8
Higher consumer demand	1	3	2	2	2	2	2	2	1	1	3	2	1
Lower prices	1	1	*	1	1	1	1	*	1	1	*	1	1
Easier credit	1	1	1	1	1	1	1	1	1	1	*	1	4
Stock market	3	3	1	2	2	1	1	2	1	1	1	2	2
Trade deficit	2	1	1	3	2	1	1	1	1	1	1	1	*
UNFAVORABLE NEWS:													
Government; elections	6	4	3	3	5	6	7	7	7	5	4	4	4
Unemployment	13	14	12	18	17	13	16	17	18	17	20	15	17
Lower consumer demand	2	2	3	3	3	2	2	2	4	3	2	4	3
Higher prices	2	2	2	5	3	2	3	2	4	6	6	6	6
Tighter credit	3	3	7	6	4	2	6	4	5	10	12	10	5
Stock market	6	5	3	2	3	3	4	1	1	2	2	2	1
Trade deficit	3	1	2	1	1	4	2	2	3	3	3	2	3

The questions were: "During the last few months, have you heard of any favorable or unfavorable changes in business conditions?" and "What did you hear?"

+ : May add to more than 100% due to multiple mentions.

* : Less than half of one percent.

CHART 12 - RECENT CHANGES
CURRENT BUSINESS CONDITIONS COMPARED WITH A YEAR AGO

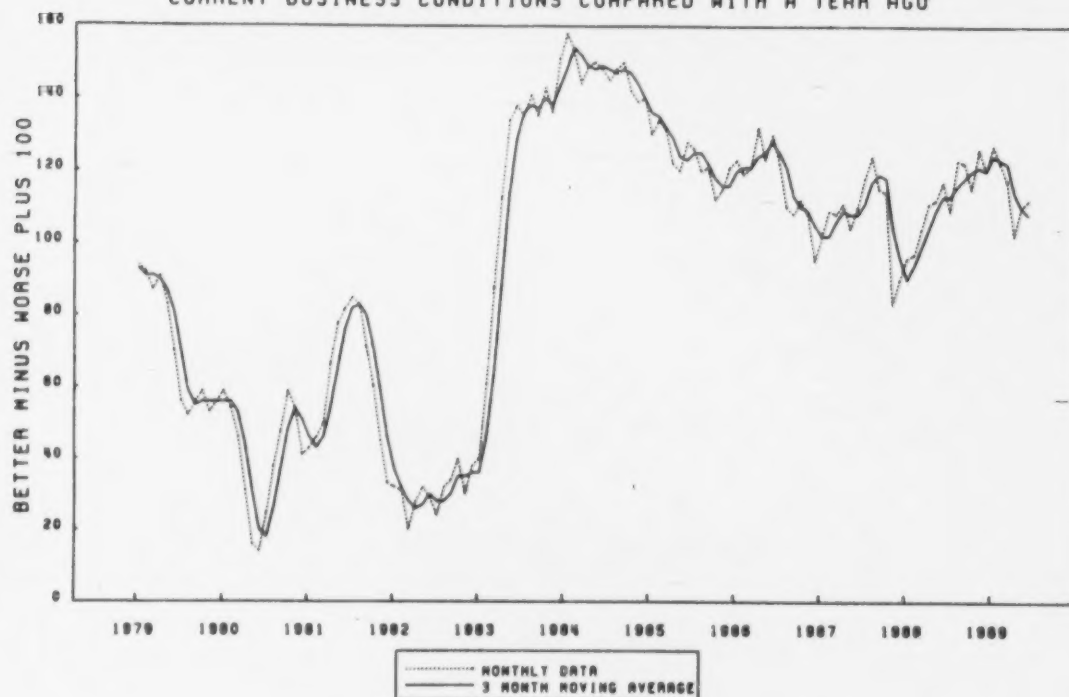


CHART 12 - HISTORICAL SERIES
CURRENT BUSINESS CONDITIONS COMPARED WITH A YEAR AGO

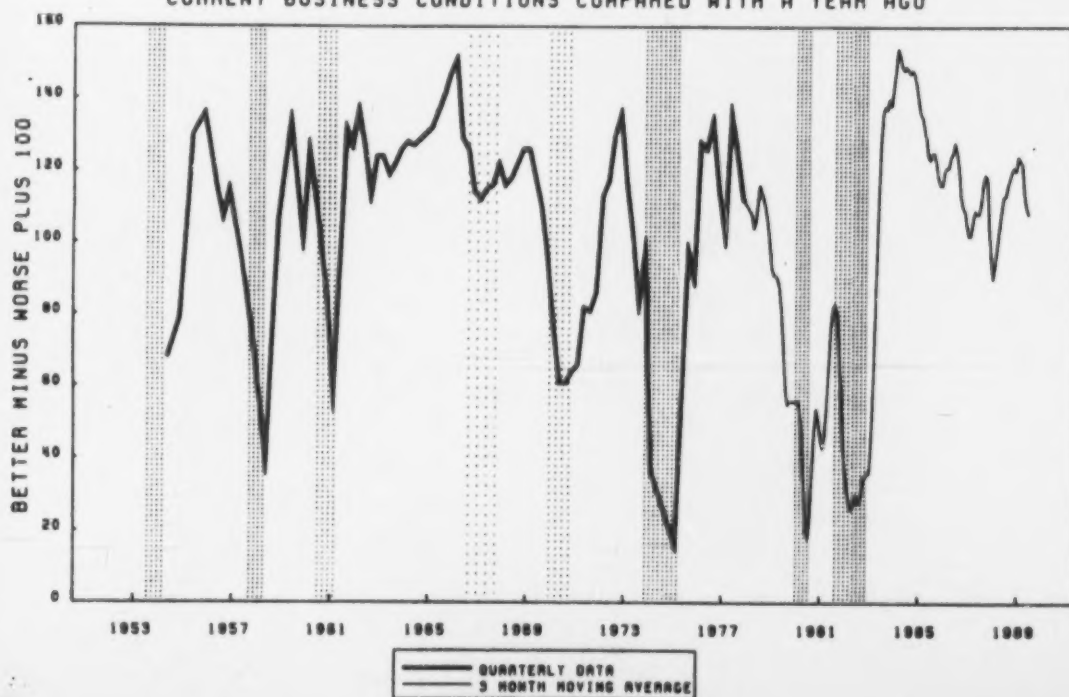


TABLE 12
CURRENT BUSINESS CONDITIONS COMPARED TO A YEAR AGO

	June 1988	July 1988	Aug. 1988	Sept 1988	Oct. 1988	Nov. 1988	Dec. 1988	Jan. 1989	Feb. 1989	Mar. 1989	Apr. 1989	May 1989	June 1989
BETTER NOW	47%	45%	51%	50%	46%	54%	49%	53%	48%	47%	41%	44%	45%
SAME	21	15	18	20	21	17	20	19	22	22	18	19	18
WORSE NOW	30	36	28	28	31	28	29	26	26	30	39	34	33
DK, NA	2	4	3	2	2	1	2	2	4	1	2	3	4
TOTAL	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%
CASES	500	501	500	500	501	508	500	501	500	502	500	503	507

The question was: "Would you say that at the present time business conditions are better or worse than they were a year ago?"

CHART 13 - RECENT CHANGES
EXPECTED CHANGE IN BUSINESS CONDITIONS IN A YEAR

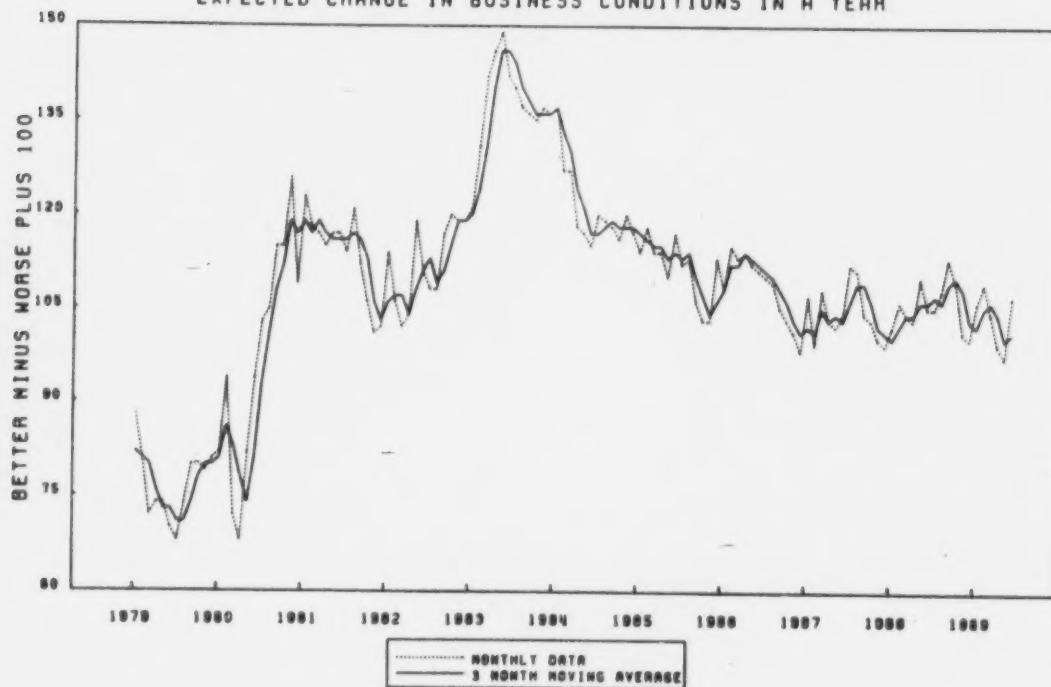


CHART 13 - HISTORICAL SERIES
EXPECTED CHANGE IN BUSINESS CONDITIONS IN A YEAR

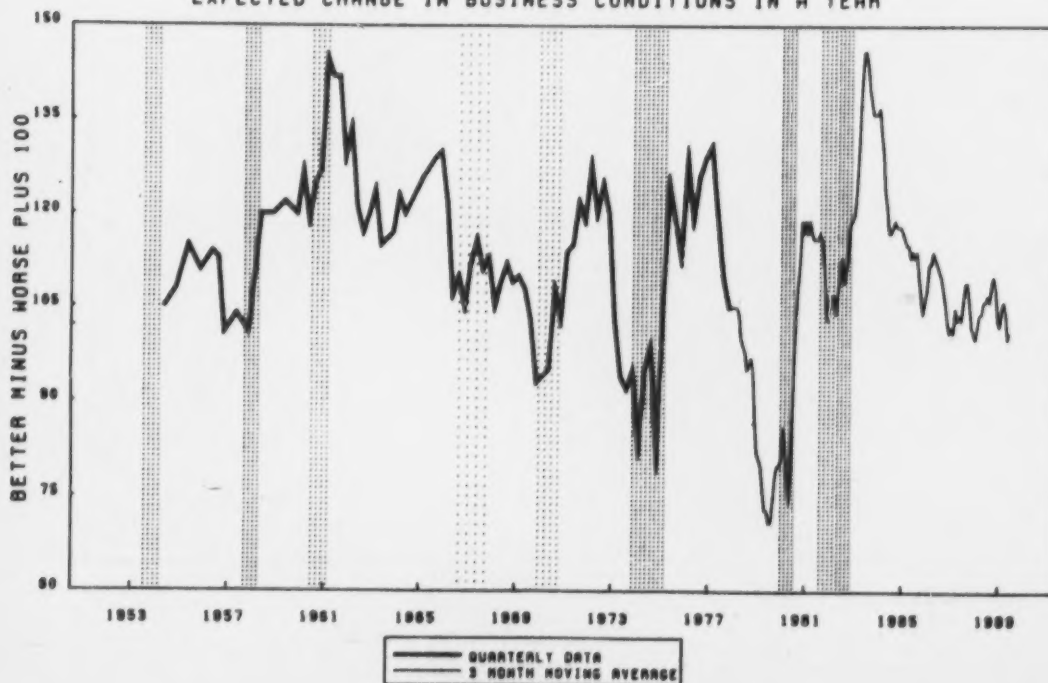


TABLE 13

EXPECTED CHANGE IN BUSINESS CONDITIONS IN A YEAR

	June 1988	July 1988	Aug. 1988	Sept 1988	Oct. 1988	Nov. 1988	Dec. 1988	Jan. 1989	Feb. 1989	Mar. 1989	Apr. 1989	May 1989	June 1989
BETTER	24%	23%	24%	27%	23%	19%	19%	23%	26%	22%	20%	19%	24%
SAME	54	53	54	55	59	60	59	56	54	59	57	56	57
WORSE	19	18	16	14	14	18	19	17	17	18	21	22	17
DK,NA	3	6	6	4	4	3	3	4	3	1	2	3	2
TOTAL	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%
CASES	500	501	500	500	501	508	500	501	500	502	500	503	507

The question was: "And how about a year from now, do you expect that in the country as a whole business conditions will be better, or worse than they are at present, or just about the same?"

CHART 14 - RECENT CHANGES
TREND IN PAST AND EXPECTED BUSINESS CONDITIONS



CHART 14 - HISTORICAL SERIES
TREND IN PAST AND EXPECTED BUSINESS CONDITIONS

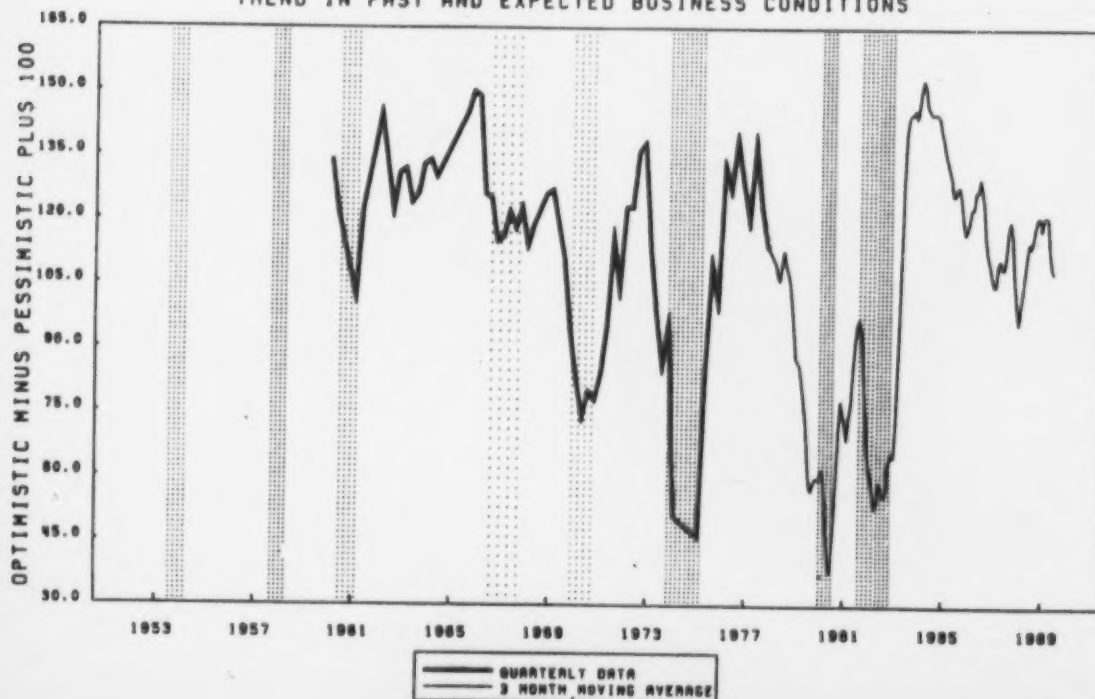


TABLE 14

TREND IN PAST AND EXPECTED CHANGES IN BUSINESS CONDITIONS

	June 1988	July 1988	Aug. 1988	Sept 1988	Oct. 1988	Nov. 1988	Dec. 1988	Jan. 1989	Feb. 1989	Mar. 1989	Apr. 1989	May 1989	June 1989
TREND:													
Continuous increase (a)	15%	12%	18%	18%	15%	13%	10%	16%	18%	12%	14%	13%	15%
Intermittant increase (b)	30	28	29	31	31	35	35	34	28	33	24	29	30
Remain unchanged (c)	13	9	11	11	13	10	12	11	13	16	13	12	12
Intermittant decline (d)	18	20	17	19	19	21	19	16	21	16	24	20	18
Continuous decline (e)	10	10	8	6	9	7	9	8	5	11	13	14	12
Mixed change (f)	10	12	8	9	7	10	10	9	10	9	8	7	6
DK,NA	4	9	9	6	6	4	5	6	5	3	4	5	7
TOTAL	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%
CASES	500	501	500	500	501	508	500	501	500	502	500	503	507

Combination of the responses to the questions on Tables 12 and 13.

Key: (a) Better than a year ago/Better a year from now
 (b) Better/Same or Same/Better
 (c) Same/Same
 (d) Worse/Same or Same/Worse
 (e) Worse/Worse
 (f) Worse/Better or Better/Worse

CHART 15 - RECENT CHANGES
BUSINESS CONDITIONS EXPECTED DURING THE NEXT TWELVE MONTHS



CHART 15 - HISTORICAL SERIES
BUSINESS CONDITIONS EXPECTED DURING THE NEXT TWELVE MONTHS

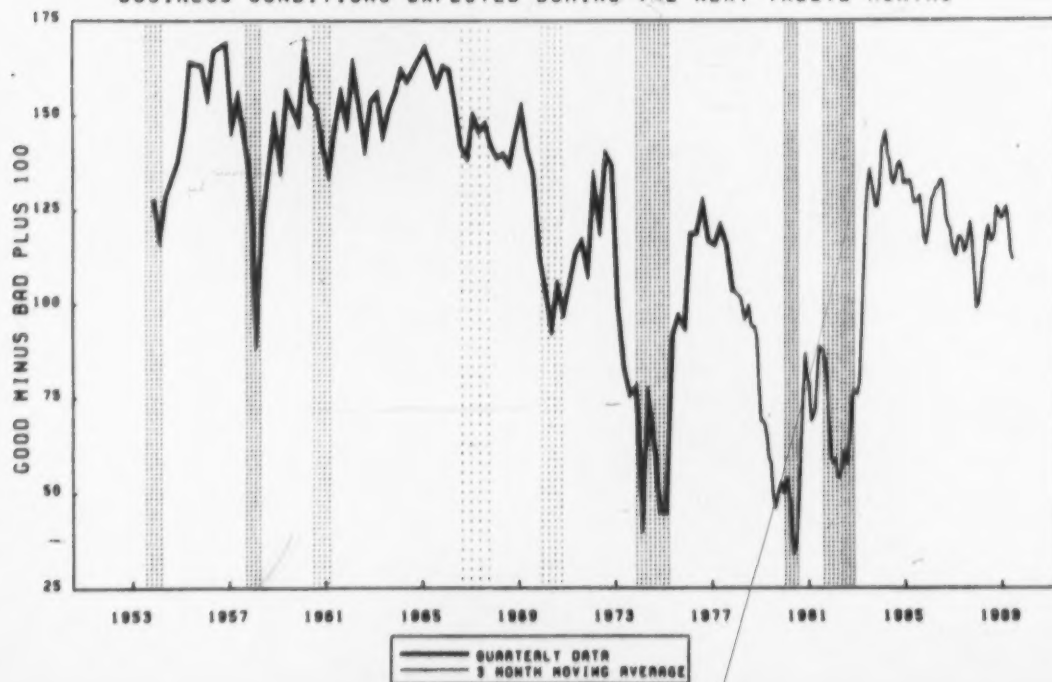


TABLE 15
BUSINESS CONDITIONS EXPECTED DURING THE NEXT 12 MONTHS

	June 1988	July 1988	Aug. 1988	Sept 1988	Oct. 1988	Nov. 1988	Dec. 1988	Jan. 1989	Feb. 1989	Mar. 1989	Apr. 1989	May 1989	June 1989
GOOD TIMES	54%	44%	52%	53%	54%	53%	52%	56%	56%	55%	49%	46%	48%
UNCERTAIN; GOOD & BAD	3	4	4	5	7	4	5	4	3	4	3	4	5
BAD TIMES	33	38	27	28	25	31	33	28	28	32	36	39	33
DON'T KNOW	6	9	11	9	8	7	5	7	9	5	6	6	9
NOT ASCERTAINED	4	5	6	5	6	5	5	5	4	4	6	5	5
TOTAL	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%
CASES	500	501	500	500	501	508	500	501	500	502	500	503	507

The question was: "Now turning to business conditions in the country as a whole--do you think that during the next 12 months we'll have good times financially, or bad times or what?"

CHART 16 - RECENT CHANGES
BUSINESS CONDITIONS EXPECTED FOR THE NEXT FIVE YEARS



CHART 16 - HISTORICAL SERIES
BUSINESS CONDITIONS EXPECTED FOR THE NEXT FIVE YEARS

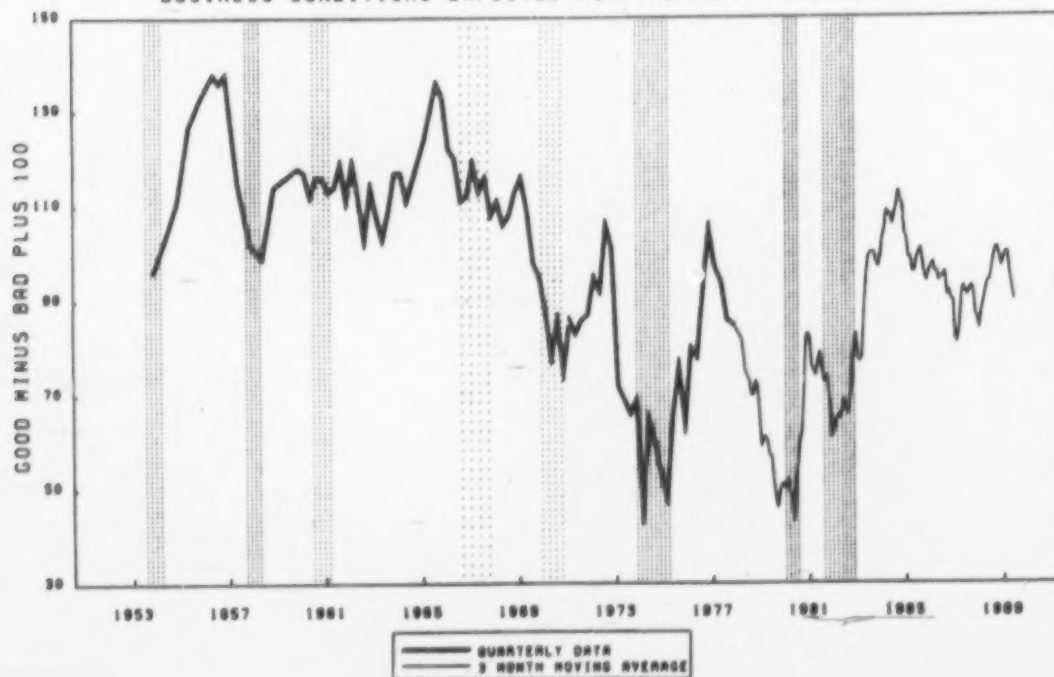


TABLE 16

BUSINESS CONDITIONS EXPECTED DURING THE NEXT FIVE YEARS

	June 1988	July 1988	Aug. 1988	Sept 1988	Oct. 1988	Nov. 1988	Dec. 1988	Jan. 1989	Feb. 1989	Mar. 1989	Apr. 1989	May 1989	June 1989
GOOD TIMES	36%	39%	43%	41%	40%	40%	41%	45%	41%	40%	37%	36%	37%
UNCERTAIN; GOOD & BAD	16	11	16	17	12	14	12	9	12	14	13	13	12
BAD TIMES	41	43	38	39	43	43	43	42	42	42	46	47	47
NOT ASCERTAINED	7	7	3	3	5	3	4	4	5	4	4	4	4
TOTAL	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%
CASES	500	501	500	500	501	508	500	501	500	502	500	503	507

The question was: "Looking ahead, which would you say is more likely--that in the country as a whole we'll have continuous good times during the next 5 years or so, or that we will have periods of widespread unemployment or depression, or what?"

CHART 17 - RECENT CHANGES
EXPECTED CHANGE IN UNEMPLOYMENT



CHART 17 - HISTORICAL SERIES
EXPECTED CHANGE IN UNEMPLOYMENT

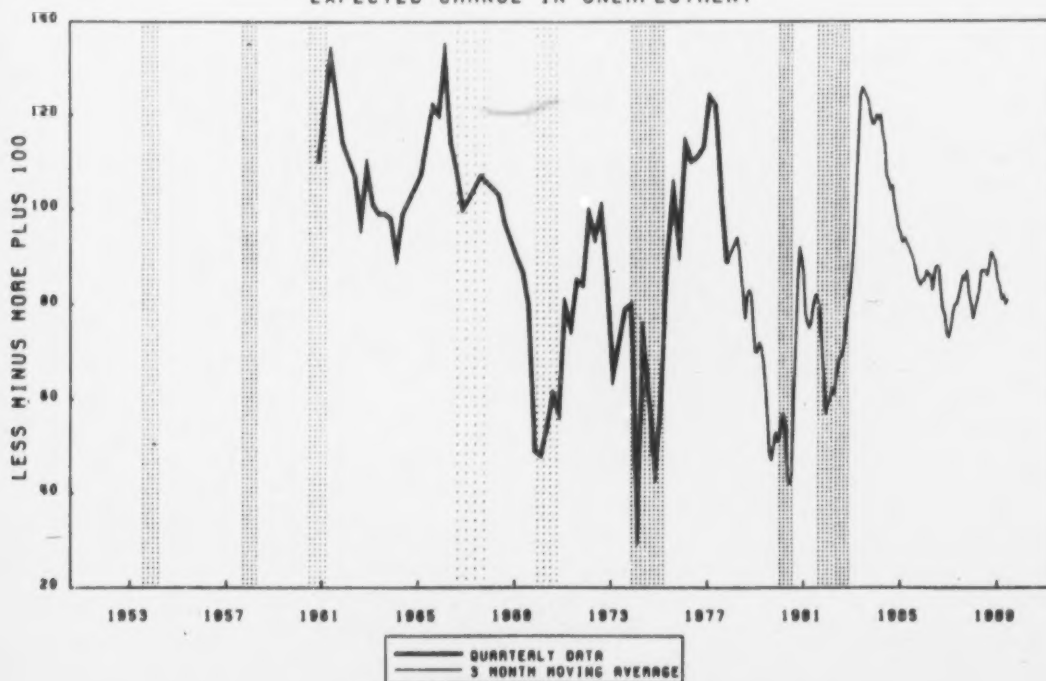


TABLE 17
EXPECTED CHANGE IN UNEMPLOYMENT

	June 1988	July 1988	Aug. 1988	Sept 1988	Oct. 1988	Nov. 1988	Dec. 1988	Jan. 1989	Feb. 1989	Mar. 1989	Apr. 1989	May 1989	June 1989
LESS	15%	15%	15%	17%	16%	14%	15%	15%	13%	12%	14%	12%	10%
SAME	53	54	53	52	60	57	55	50	55	53	55	52	59
MORE	31	29	27	27	22	27	28	34	30	33	29	35	29
DK,NA	1	2	5	4	2	2	2	1	2	2	2	1	2
TOTAL	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%
CASES	500	501	500	500	501	508	500	501	500	502	500	503	507

The question was: "How about people out of work during the coming 12 months--do you think that there will be more unemployment than now, about the same, or less?"

CHART 18 - RECENT CHANGES
EXPECTED CHANGE IN INTEREST RATES

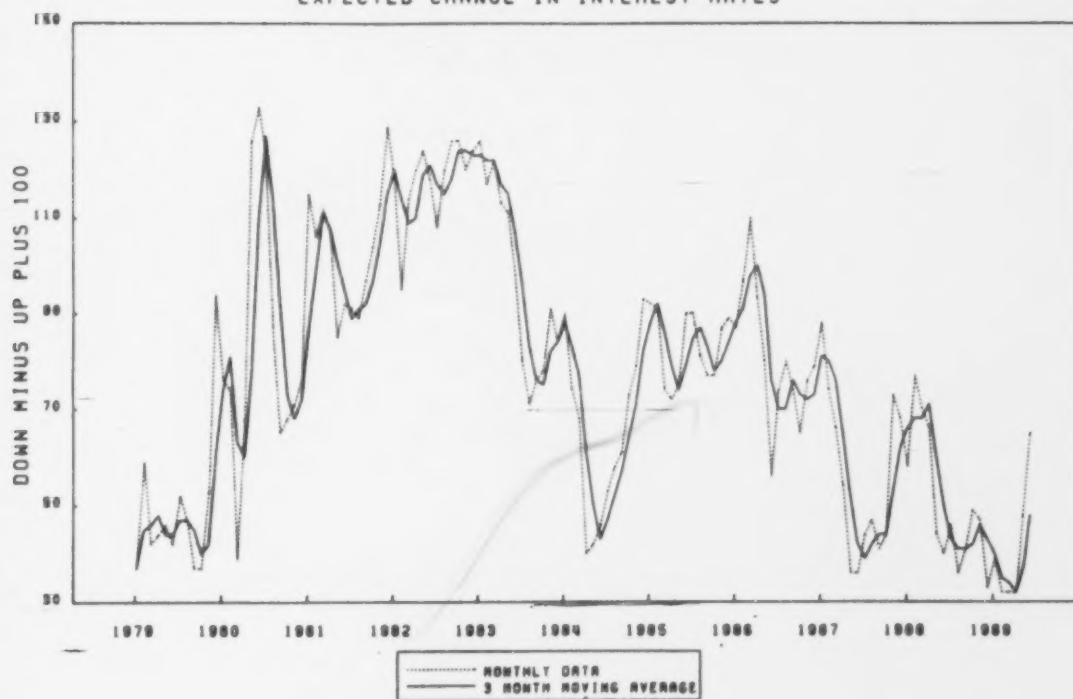


CHART 18 - HISTORICAL SERIES
EXPECTED CHANGE IN INTEREST RATES

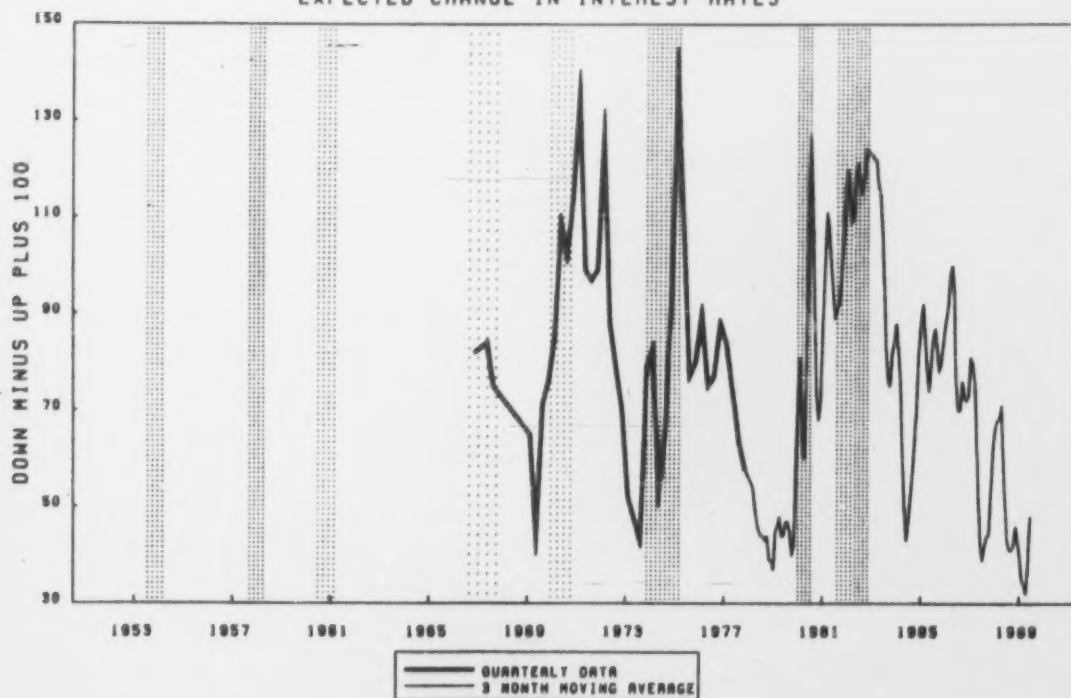


TABLE 18

EXPECTED CHANGE IN INTEREST RATES

	June 1988	July 1988	Aug. 1988	Sept 1988	Oct. 1988	Nov. 1988	Dec. 1988	Jan. 1989	Feb. 1989	Mar. 1989	Apr. 1989	May 1989	June 1989
GO UP	67%	65%	71%	67%	62%	62%	74%	68%	75%	73%	75%	64%	54%
STAY THE SAME	24	22	19	21	24	27	16	23	16	20	17	20	24
GO DOWN	7	11	7	8	11	9	7	7	7	5	7	12	19
DK,NA	2	2	3	4	3	2	3	2	2	2	1	4	3
TOTAL	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%
CASES	500	501	500	500	501	508	500	501	500	502	500	503	507

The question was: "No one can say for sure, but what do you think will happen to interest rates for borrowing money during the next 12 months--will they go up, stay the same, or go down?"

CHART 19 - RECENT CHANGES
MEAN EXPECTED PRICE INCREASE OVER THE NEXT 12 MONTHS



CHART 19 - HISTORICAL SERIES
MEAN EXPECTED PRICE INCREASE OVER THE NEXT 12 MONTHS

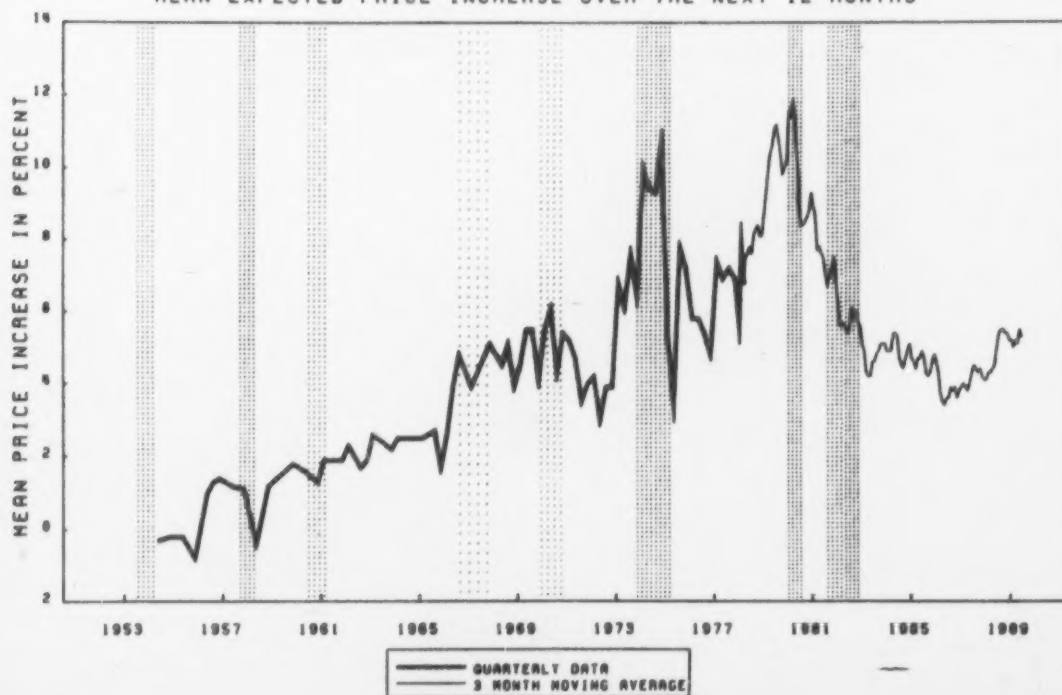


TABLE 19
EXPECTED CHANGE IN PRICES DURING THE NEXT 12 MONTHS

	June 1988	July 1988	Aug. 1988	Sept 1988	Oct. 1988	Nov. 1988	Dec. 1988	Jan. 1989	Feb. 1989	Mar. 1989	Apr. 1989	May 1989	June 1989
SAME OR DOWN	13%	8%	8%	8%	9%	11%	10%	10%	11%	12%	8%	10%	10%
WILL GO UP BY:													
1-2%	18	15	15	16	20	15	16	20	15	18	17	16	18
3-4%	20	23	23	25	21	28	26	23	24	23	23	19	24
5%	20	19	22	21	20	18	20	19	22	17	21	23	19
6-9%	8	12	9	10	8	8	8	9	10	9	10	9	9
10-14%	9	12	8	7	9	9	11	7	8	9	10	11	10
15% or more	6	6	6	6	5	5	4	6	4	7	5	7	5
DK how much up	5	5	8	6	6	5	4	5	5	4	6	4	5
DK, NA	1	*	1	1	2	1	1	1	1	1	*	1	*
TOTAL	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%
MEAN INCREASE	5.6	5.6	5.4	5.5	5.2	5.4	5.0	5.1	4.8	5.6	5.0	5.8	5.0
VARIANCE	60	37	38	52	40	55	32	41	29	64	24	49	34
CASES	500	501	500	500	501	508	500	501	500	502	500	503	507

The questions were: "During the next 12 months, do you think that prices in general will go up, or go down, or stay where they are now?" and "By about what percent do you expect prices to go up, on the average, during the next 12 months?"

* : Less than half of one percent.

CHART 20 - RECENT CHANGES
OPINIONS ABOUT THE GOVERNMENT'S ECONOMIC POLICY

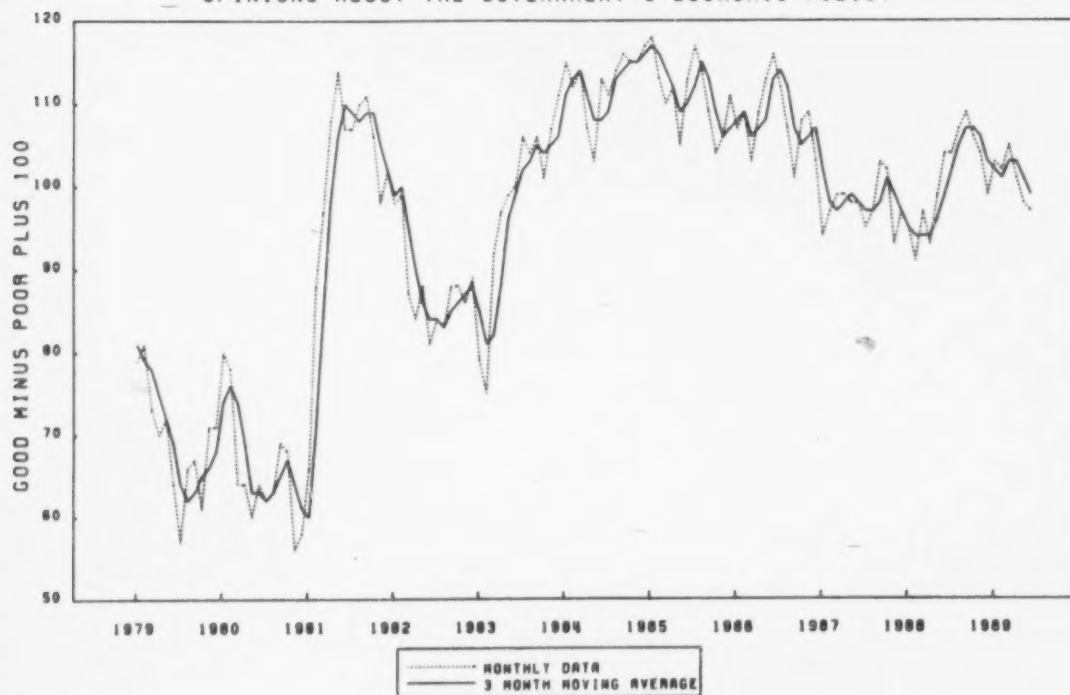


CHART 20 - HISTORICAL SERIES
OPINIONS ABOUT THE GOVERNMENT'S ECONOMIC POLICY

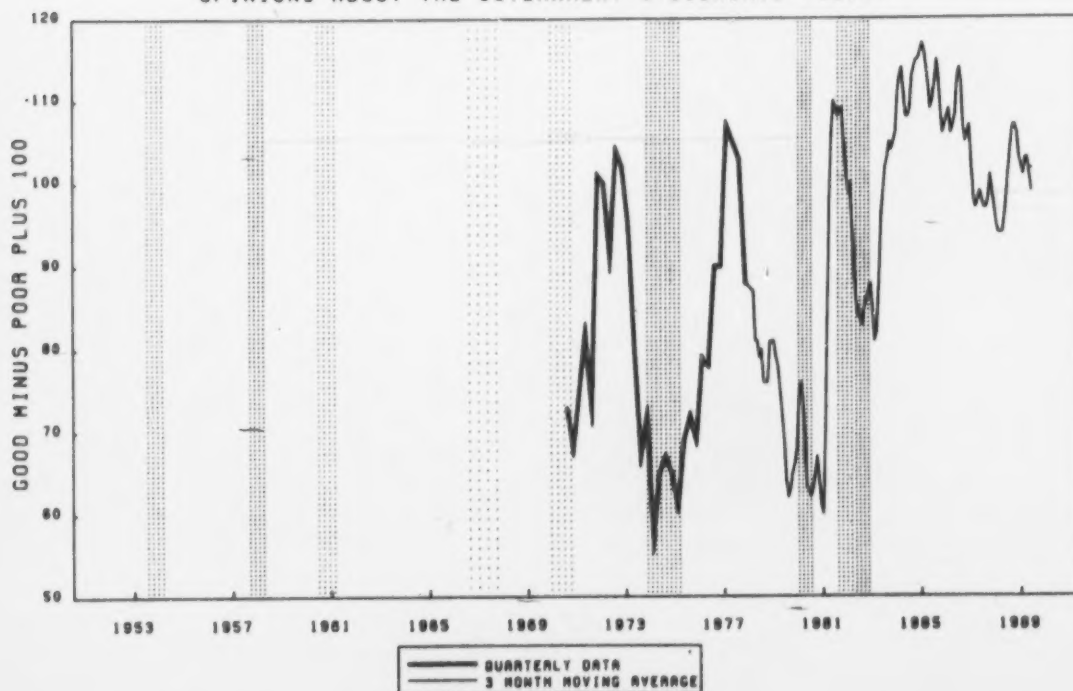


TABLE 20
OPINIONS ABOUT THE GOVERNMENT'S ECONOMIC POLICY

	June 1988	July 1988	Aug. 1988	Sept 1988	Oct. 1988	Nov. 1988	Dec. 1988	Jan. 1989	Feb. 1989	Mar. 1989	Apr. 1989	May 1989	June 1989
A GOOD JOB	23%	25%	28%	29%	26%	27%	20%	27%	23%	25%	19%	19%	20%
ONLY FAIR	57	51	48	49	51	49	57	48	51	52	59	57	55
A POOR JOB	19	21	21	20	20	23	21	24	21	20	18	21	23
DK,NA	1	3	3	2	3	1	2	1	5	3	4	3	2
TOTAL	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%
CASES	500	501	500	500	501	508	500	501	500	502	500	503	507

The question was: "As to the economic policy of the government--I mean steps taken to fight inflation or unemployment--would you say the government is doing a good job, only fair, or a poor job?"

CHART 21 - RECENT CHANGES
BUYING CONDITIONS FOR LARGE HOUSEHOLD GOODS



CHART 21 - HISTORICAL SERIES
BUYING CONDITIONS FOR LARGE HOUSEHOLD GOODS

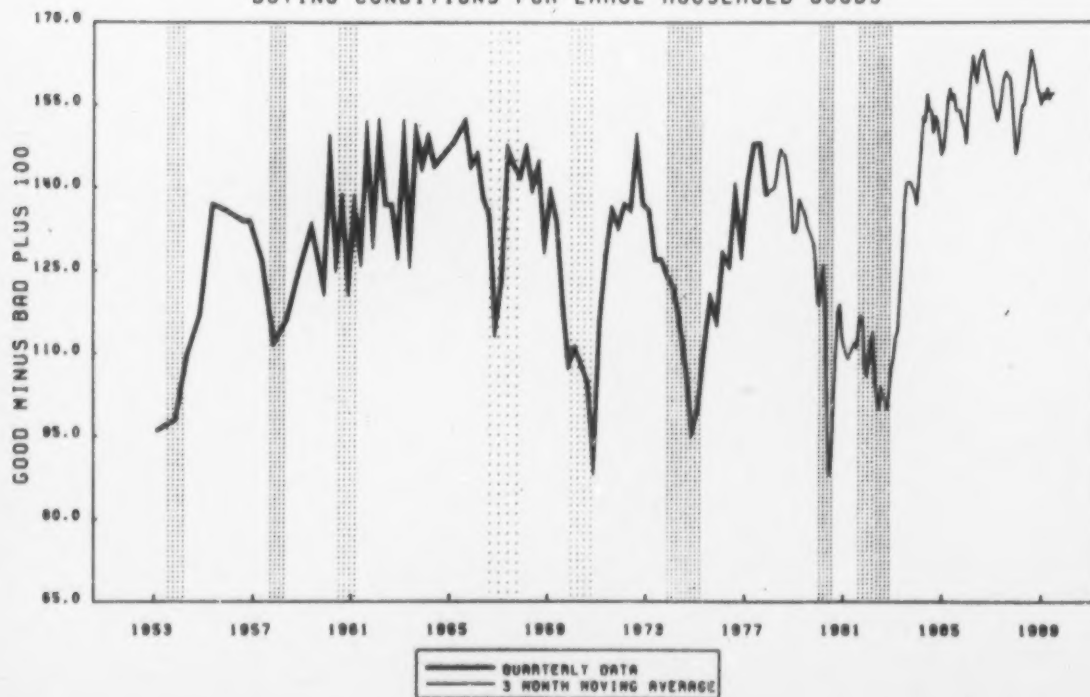


TABLE 21
BUYING CONDITIONS FOR LARGE HOUSEHOLD GOODS

	June 1988	July 1988	Aug. 1988	Sept 1988	Oct. 1988	Nov. 1988	Dec. 1988	Jan. 1989	Feb. 1989	Mar. 1989	Apr. 1989	May 1989	June 1989
GOOD TIME TO BUY	74%	79%	74%	71%	73%	73%	70%	78%	71%	72%	75%	73%	71%
UNCERTAIN, DEPENDS	15	9	12	15	12	10	10	9	12	12	8	11	13
BAD TIME TO BUY	11	12	14	14	15	17	20	13	17	16	17	16	16
TOTAL	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%
CASES	500	501	500	500	501	508	500	501	500	502	500	503	507

The question was: "About the big things people buy for their homes--such as furniture, a refrigerator, stove, television, and things like that. Generally speaking, do you think now is a good or a bad time for people to buy major household items?"

CHART 22A - HISTORICAL SERIES
REASONS FOR OPINIONS ABOUT BUYING CONDITIONS FOR DURABLES

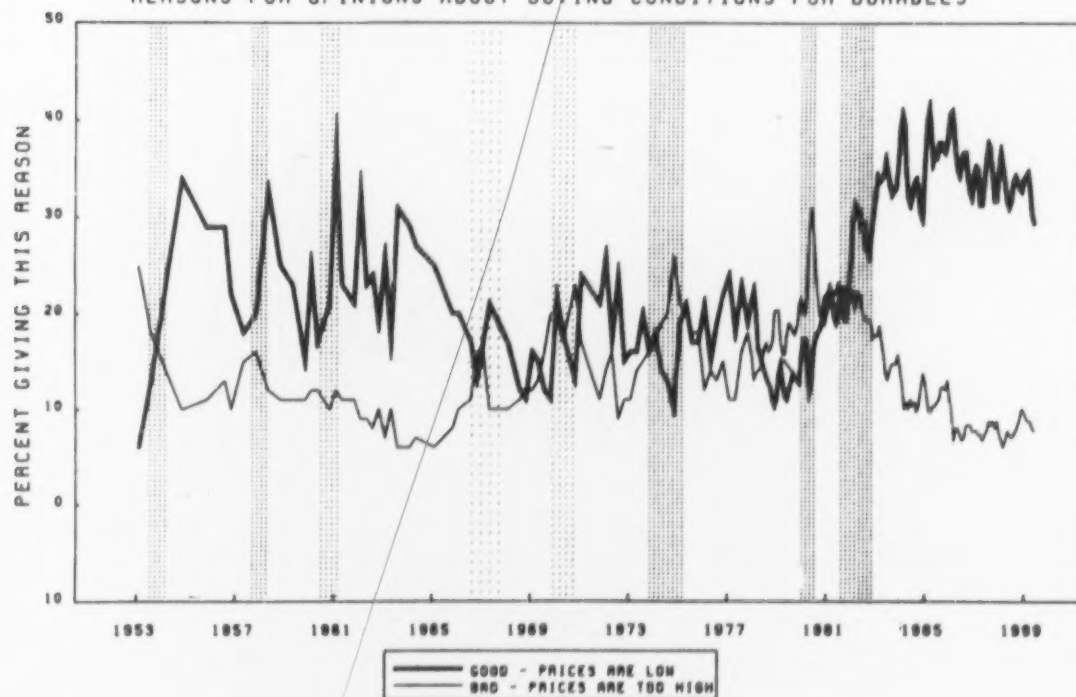


CHART 22B - HISTORICAL SERIES
REASONS FOR OPINIONS ABOUT BUYING CONDITIONS FOR DURABLES

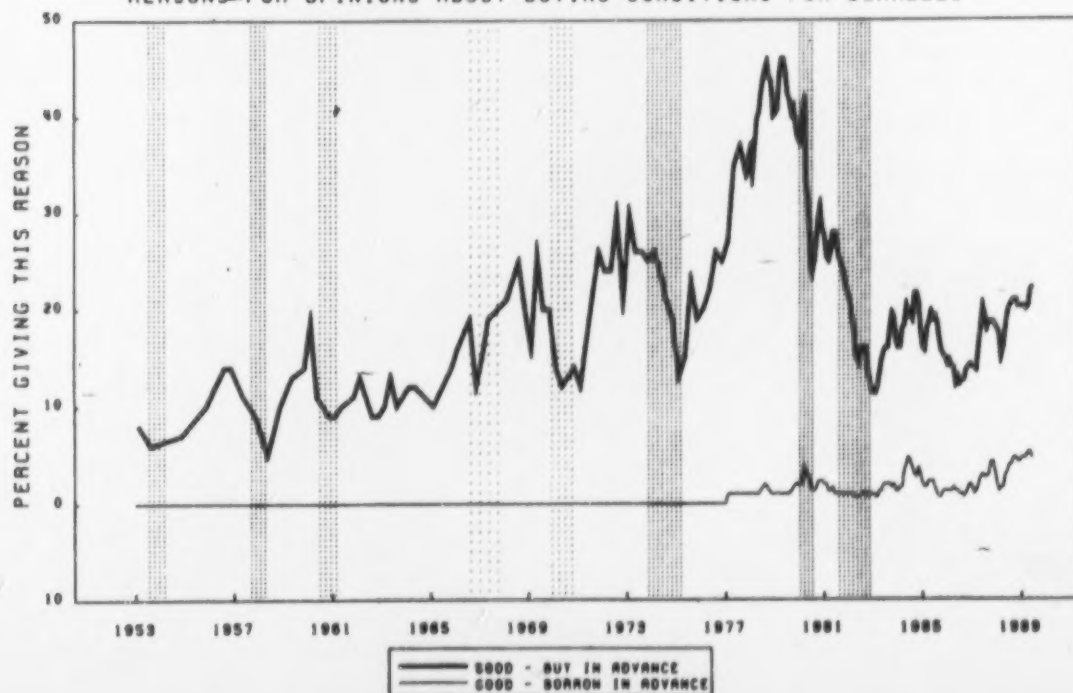


TABLE 22

SELECTED REASONS FOR OPINIONS ABOUT BUYING CONDITIONS FOR LARGE HOUSEHOLD GOODS +

	June 1988	July 1988	Aug. 1988	Sept 1988	Oct. 1988	Nov. 1988	Dec. 1988	Jan. 1989	Feb. 1989	Mar. 1989	Apr. 1989	May 1989	June 1989
GOOD TIME TO BUY:													
Prices are low; good buys available	31%	34%	36%	33%	32%	34%	32%	36%	35%	33%	31%	27%	30%
Prices won't come down; are going higher	20	21	21	21	21	19	21	21	19	20	22	24	21
Interest rates are low	8	7	7	7	7	8	4	5	4	6	4	5	5
Borrow-in-advance of rising interest rates	3	4	5	5	4	4	5	5	4	5	7	4	3
Times are good; prosperity	7	10	7	5	8	5	7	7	9	7	8	6	6
BAD TIME TO BUY:													
Prices are high	7	6	9	8	8	11	11	7	9	10	7	7	9
Interest rates are high; credit is tight	2	2	3	3	4	3	5	2	5	5	8	5	6
Times are bad; can't afford to buy	2	3	3	2	4	3	3	4	5	4	4	4	3
Bad times ahead; uncertain future	1	3	3	3	2	1	3	3	3	1	2	3	3

Responses to the query: "Why do you say so?" following the question on Table 21.

+ : May add to more than 100% due to multiple mentions.

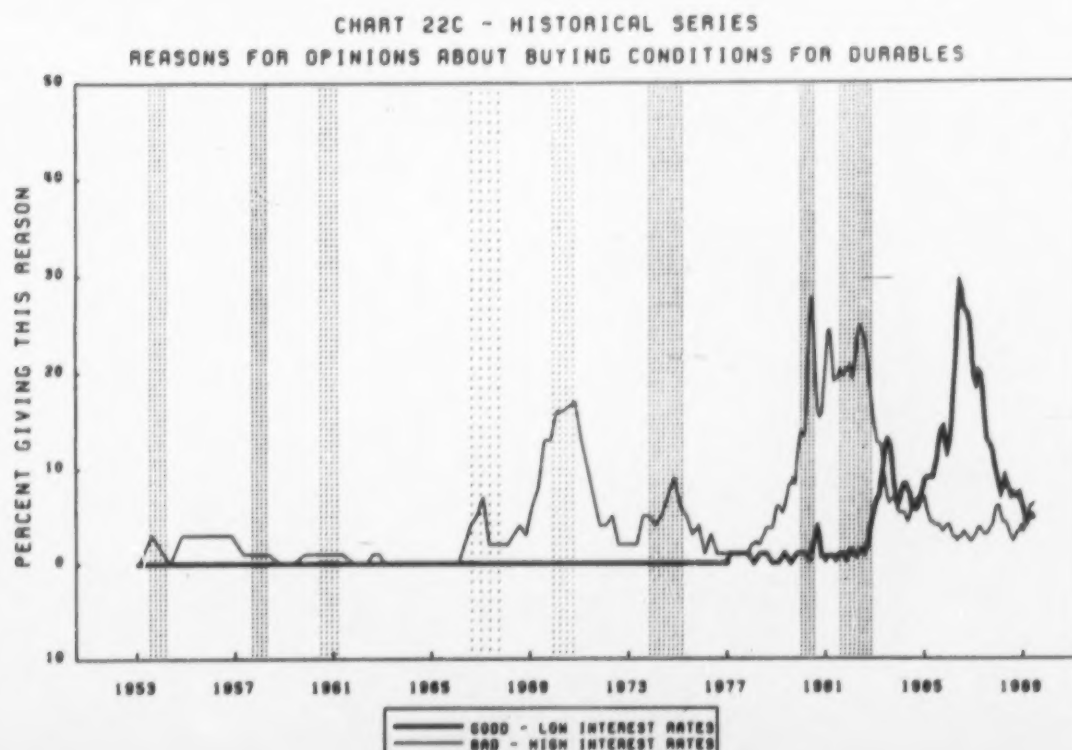


CHART 23 - RECENT CHANGES
BUYING CONDITIONS FOR HOUSES



CHART 23 - HISTORICAL SERIES
BUYING CONDITIONS FOR HOUSES

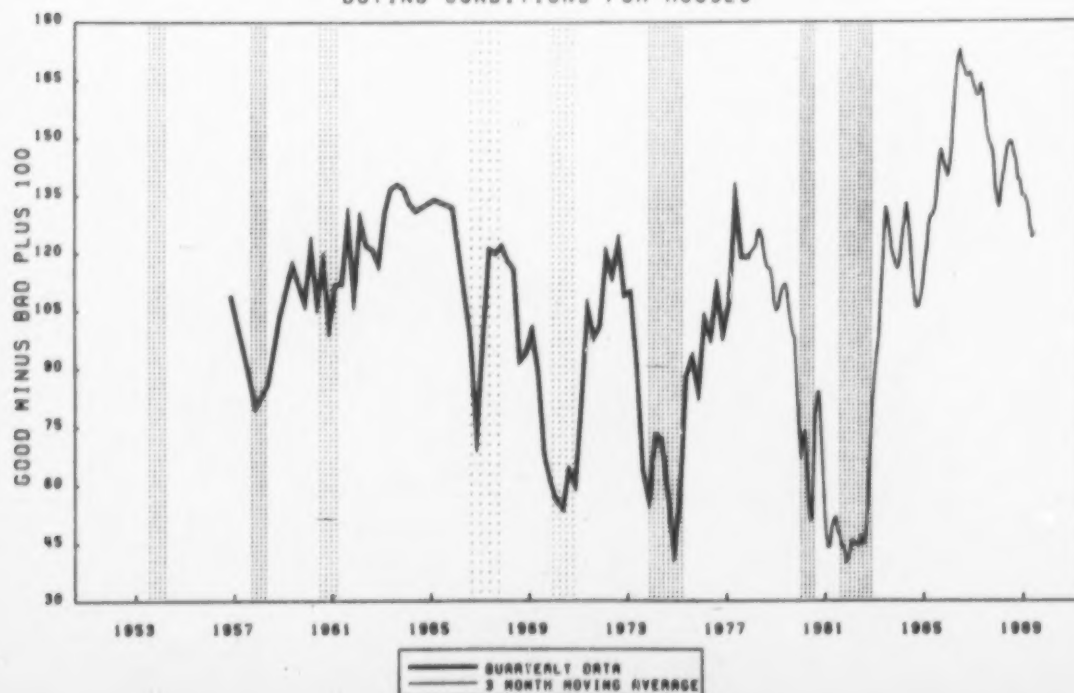


TABLE 23

BUYING CONDITIONS FOR HOUSES

	June 1988	July 1988	Aug. 1988	Sept 1988	Oct. 1988	Nov. 1988	Dec. 1988	Jan. 1989	Feb. 1989	Mar. 1989	Apr. 1989	May 1989	June 1989
GOOD TIME TO BUY	73%	72%	67%	70%	64%	67%	63%	64%	64%	60%	58%	61%	61%
UNCERTAIN, DEPENDS	5	4	6	5	5	4	7	6	8	5	4	6	5
BAD TIME TO BUY	22	24	27	25	31	29	30	30	28	35	38	33	34
TOTAL	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%
CASES	500	501	500	500	501	508	500	501	500	502	500	503	507

The question was: "Generally speaking, do you think now is a good time or a bad time to buy a house?"

CHART 24A - HISTORICAL SERIES
REASONS FOR OPINIONS ABOUT BUYING CONDITIONS FOR HOUSES

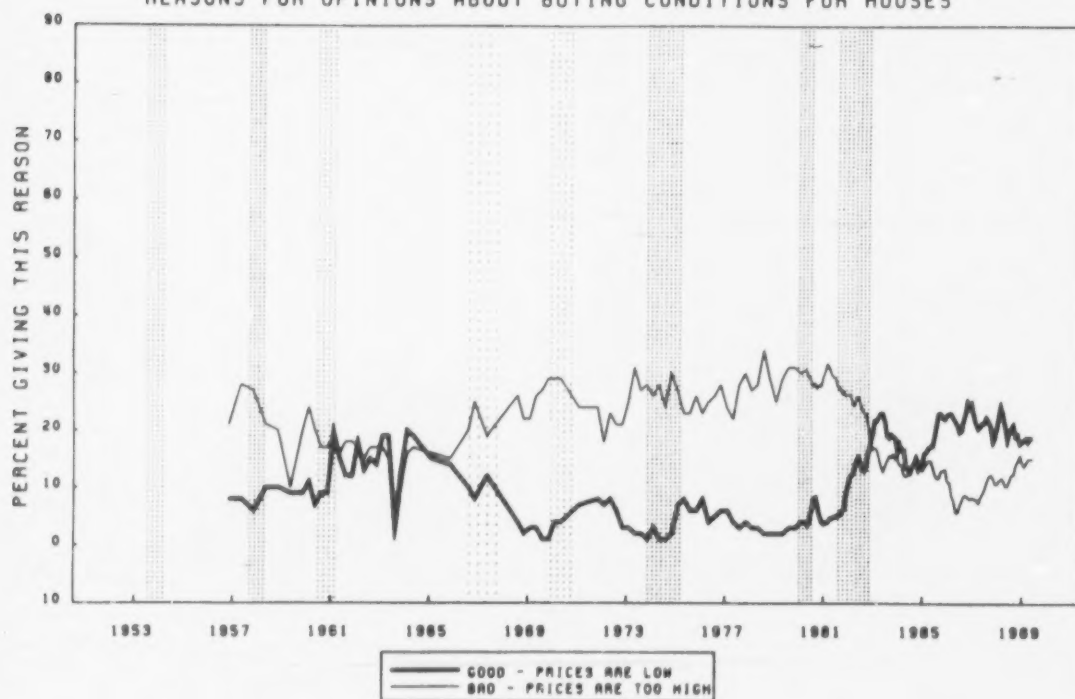


CHART 24B - HISTORICAL SERIES
REASONS FOR OPINIONS ABOUT BUYING CONDITIONS FOR HOUSES

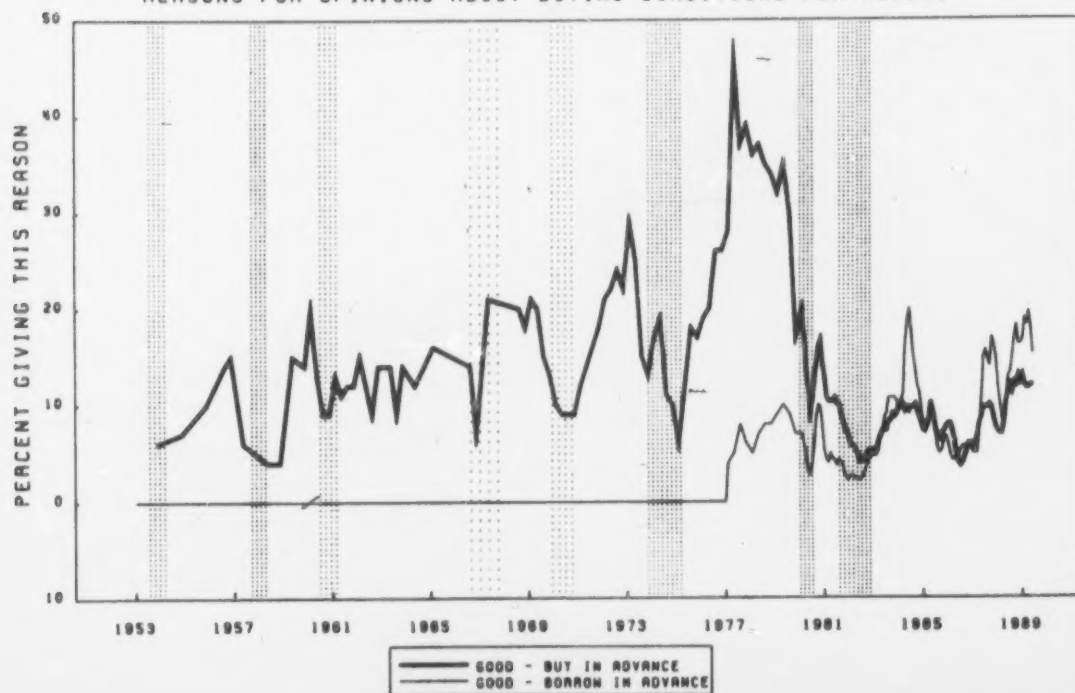


TABLE 24

SELECTED REASONS FOR OPINIONS ABOUT BUYING CONDITIONS FOR HOUSES +

	June 1988	July 1988	Aug. 1988	Sept 1988	Oct. 1988	Nov. 1988	Dec. 1988	Jan. 1989	Feb. 1989	Mar. 1989	Apr. 1989	May 1989	June 1989
--	-----------	-----------	-----------	-----------	-----------	-----------	-----------	-----------	-----------	-----------	-----------	----------	-----------

GOOD TIME TO BUY:

Prices are low; good buys available	19%	24%	18%	21%	18%	19%	16%	19%	20%	17%	17%	22%	17%
Prices won't come down; are going higher	12	12	10	15	11	13	13	13	10	12	13	11	12
Interest rates are low	34	30	28	22	25	33	19	22	20	17	16	16	22
Borrow-in-advance of rising interest rates	15	11	19	21	15	13	21	16	20	19	20	15	11
Good investment	6	7	9	9	9	10	8	7	7	9	6	8	9
Times are good; prosperity	5	6	5	4	4	3	3	4	5	2	4	4	3

BAD TIME TO BUY:

Prices are high	11	13	13	11	18	15	14	14	13	16	16	13	16
Interest rates are high; credit is tight	10	11	14	14	16	12	18	16	12	24	28	25	23
Times are bad; can't afford to buy	4	4	4	4	5	6	3	5	6	7	7	6	5
Bad times ahead; uncertain future	3	2	3	2	3	3	5	4	3	3	4	3	2

Responses to the query: "Why do you say so?" following the question on Table 23.
+ : May add to more than 100% due to multiple mentions.

CHART 24C - HISTORICAL SERIES
REASONS FOR OPINIONS ABOUT BUYING CONDITIONS FOR HOUSES

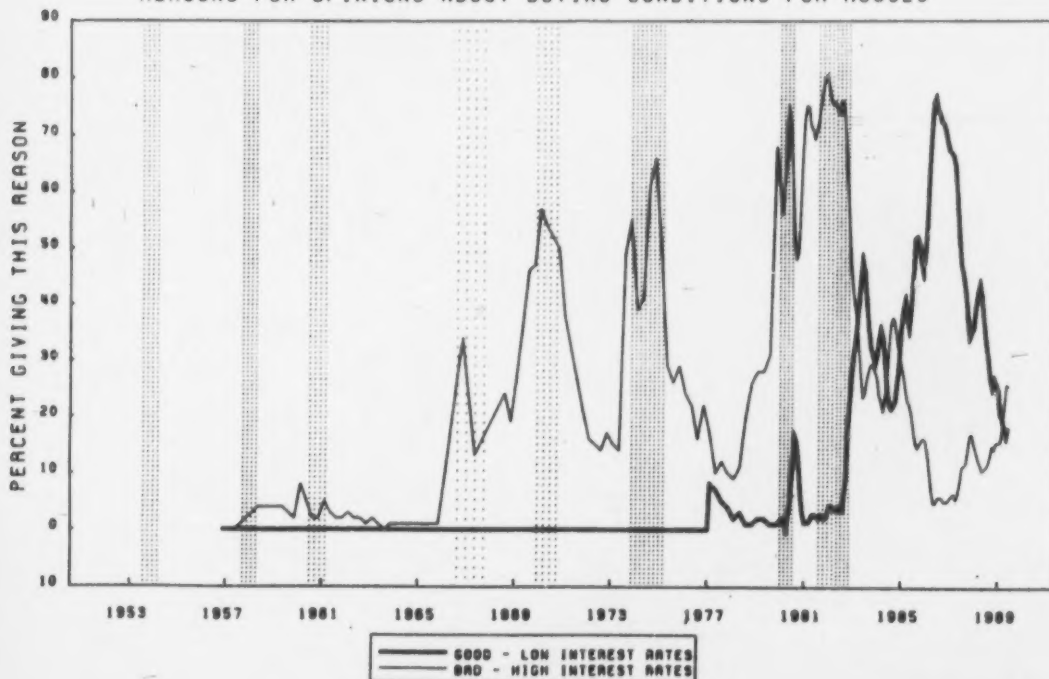


CHART 25 - RECENT CHANGES
BUYING CONDITIONS FOR CARS

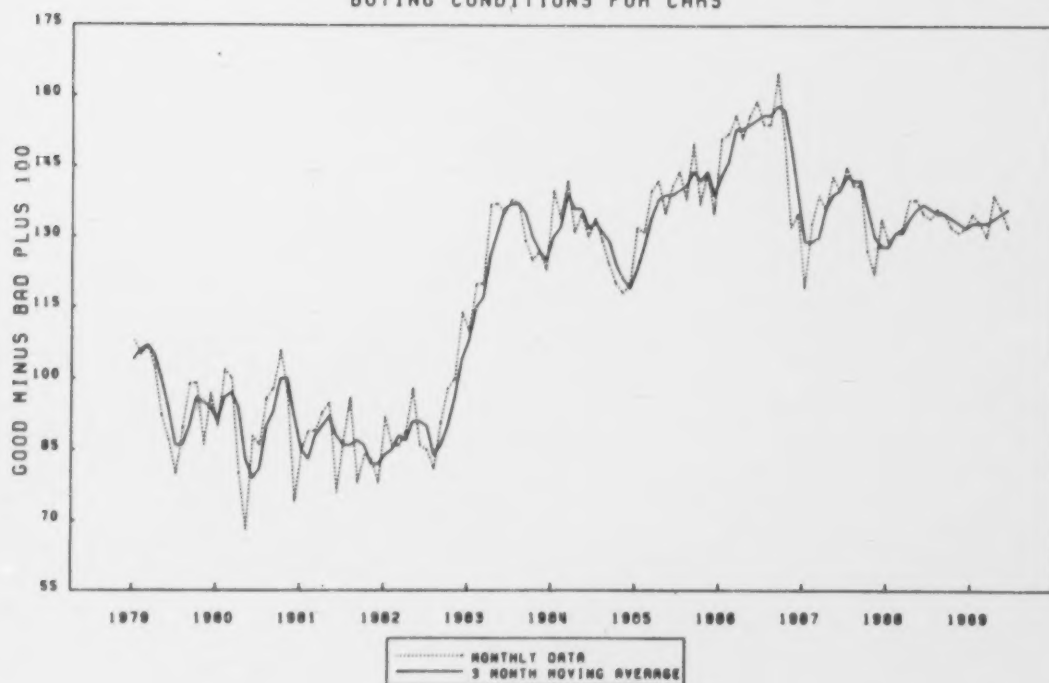


CHART 25 - HISTORICAL SERIES
BUYING CONDITIONS FOR CARS

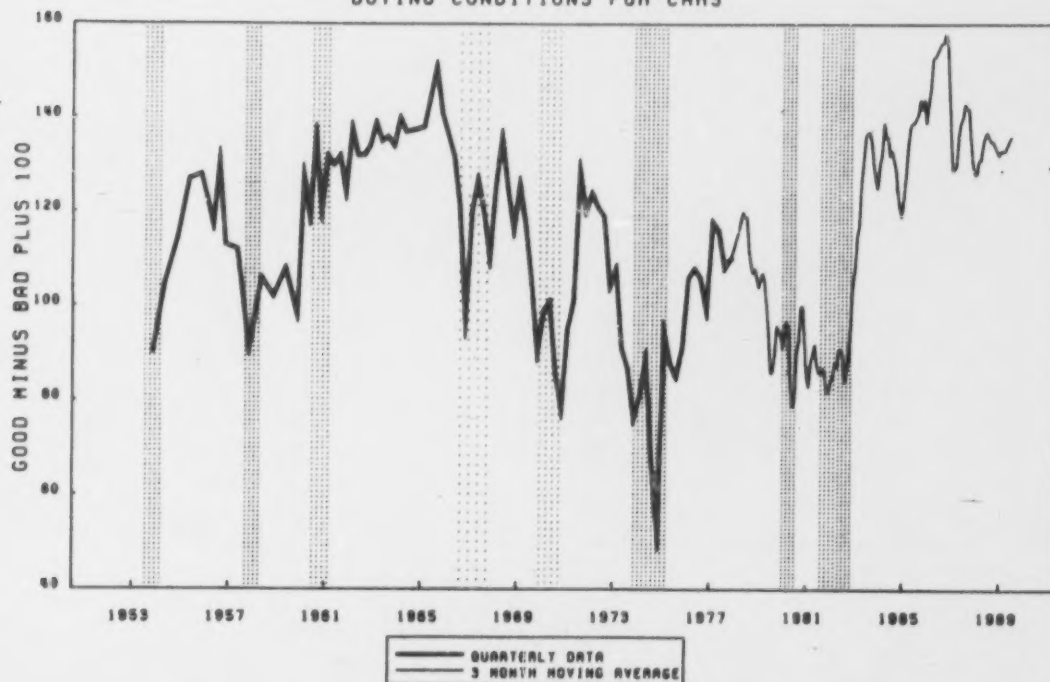


TABLE 25

BUYING CONDITIONS FOR CARS

	June 1988	July 1988	Aug. 1988	Sept 1988	Oct. 1988	Nov. 1988	Dec. 1988	Jan. 1989	Feb. 1989	Mar. 1989	Apr. 1989	May 1989	June 1989
GOOD TIME TO BUY	62%	62%	62%	61%	60%	61%	61%	62%	61%	61%	65%	63%	61%
UNCERTAIN; DEPENDS	11	10	12	13	12	9	10	11	11	8	9	10	10
BAD TIME TO BUY	27	28	26	26	28	30	29	27	28	31	26	27	29
TOTAL	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%
CASES	500	501	500	500	501	508	500	501	500	502	500	503	507

The question was: "Speaking now of the automobile market--do you think the next 12 months or so will be a good time or a bad time to buy a car?"

CHART 26A - HISTORICAL SERIES
REASONS FOR OPINIONS ABOUT BUYING CONDITIONS FOR CARS

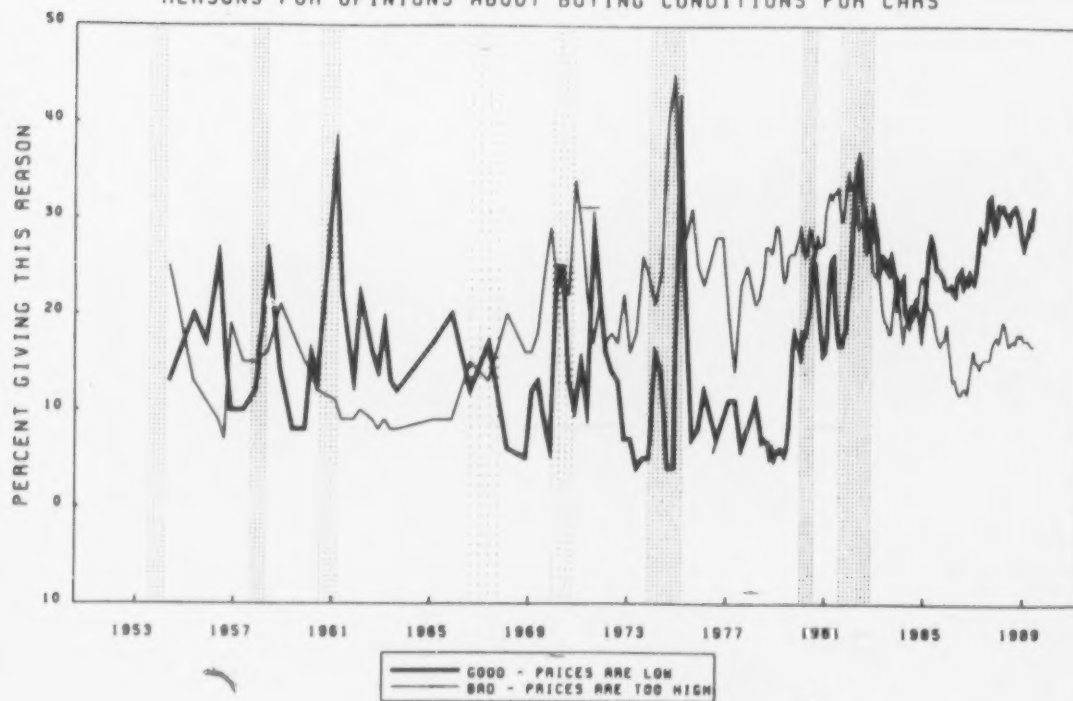


CHART 26B - HISTORICAL SERIES
REASONS FOR OPINIONS ABOUT BUYING CONDITIONS FOR CARS

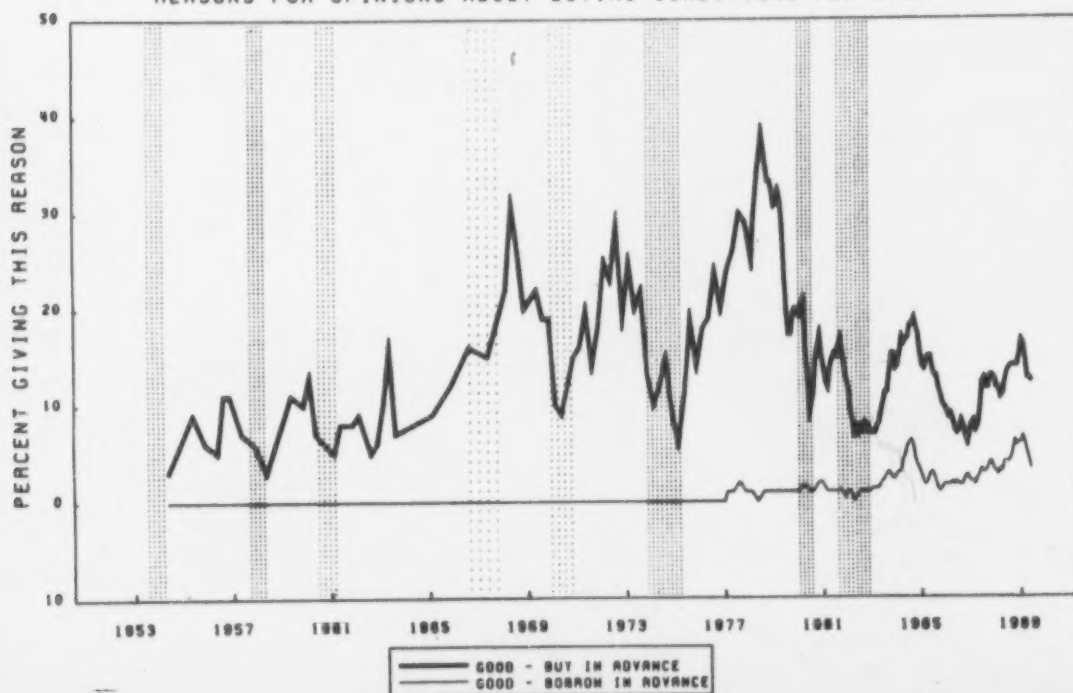


TABLE 26

SELECTED REASONS FOR OPINIONS ABOUT BUYING CONDITIONS FOR CARS +

	June 1988	July 1988	Aug. 1988	Sept 1988	Oct. 1988	Nov. 1988	Dec. 1988	Jan. 1989	Feb. 1989	Mar. 1989	Apr. 1989	May 1989	June 1989
--	-----------	-----------	-----------	-----------	-----------	-----------	-----------	-----------	-----------	-----------	-----------	----------	-----------

GOOD TIME TO BUY:

Prices are low; good buys available	30%	33%	30%	31%	31%	27%	26%	28%	30%	27%	32%	29%	33%
Prices won't come down; are going higher	14	13	15	14	13	15	17	18	14	12	12	14	11
Interest rates are low	16	14	16	14	12	14	11	11	15	15	25	23	21
Borrow-in-advance of rising interest rates	4	3	6	6	7	4	7	7	6	5	4	4	2
Times are good; prosperity	3	5	4	4	4	4	4	5	4	3	3	3	2

BAD TIME TO BUY:

Prices are high	18	16	18	17	19	17	18	17	17	18	16	16	18
Interest rates are high; credit is tight	4	6	6	9	8	7	9	7	6	13	9	6	7
Times are bad; can't afford to buy	1	3	4	2	3	2	4	2	4	2	3	4	3
Bad times ahead; uncertain future	2	2	2	2	1	2	3	1	1	2	3	2	1
Poor selection; quality	3	3	2	3	5	3	2	4	3	3	2	3	2

Responses to the query: "Why do you say so?" following the question on Table 25.
+ : May add to more than 100% due to multiple mentions.

* : Less than half of one percent.

CHART 26C - HISTORICAL SERIES
REASONS FOR OPINIONS ABOUT BUYING CONDITIONS FOR CARS

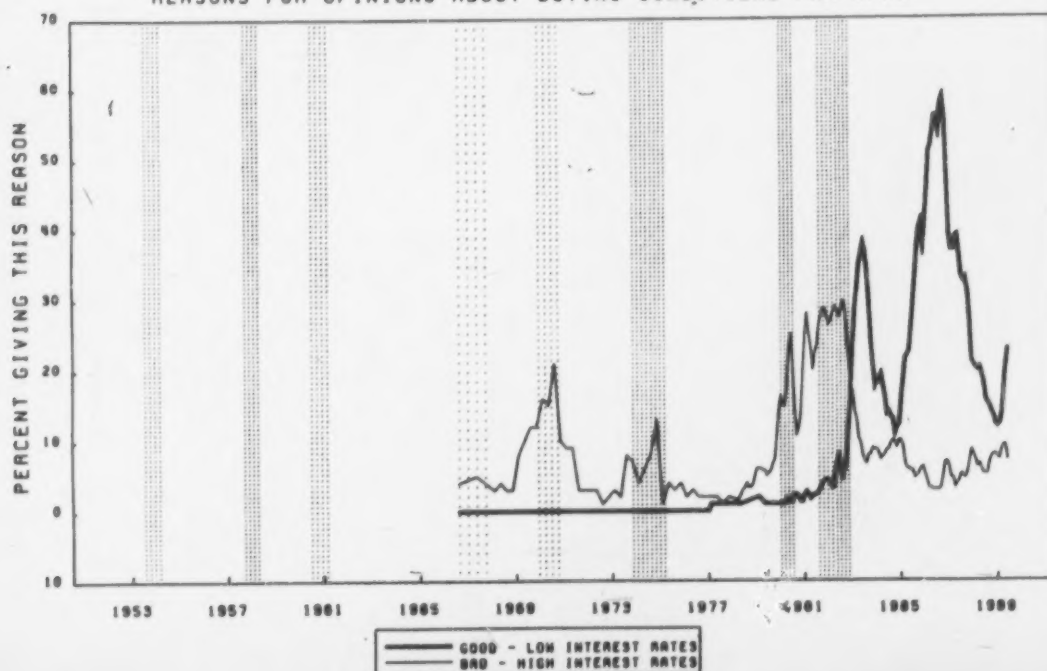


CHART 1 - RECENT CHANGES
THE INDEX OF CONSUMER SENTIMENT

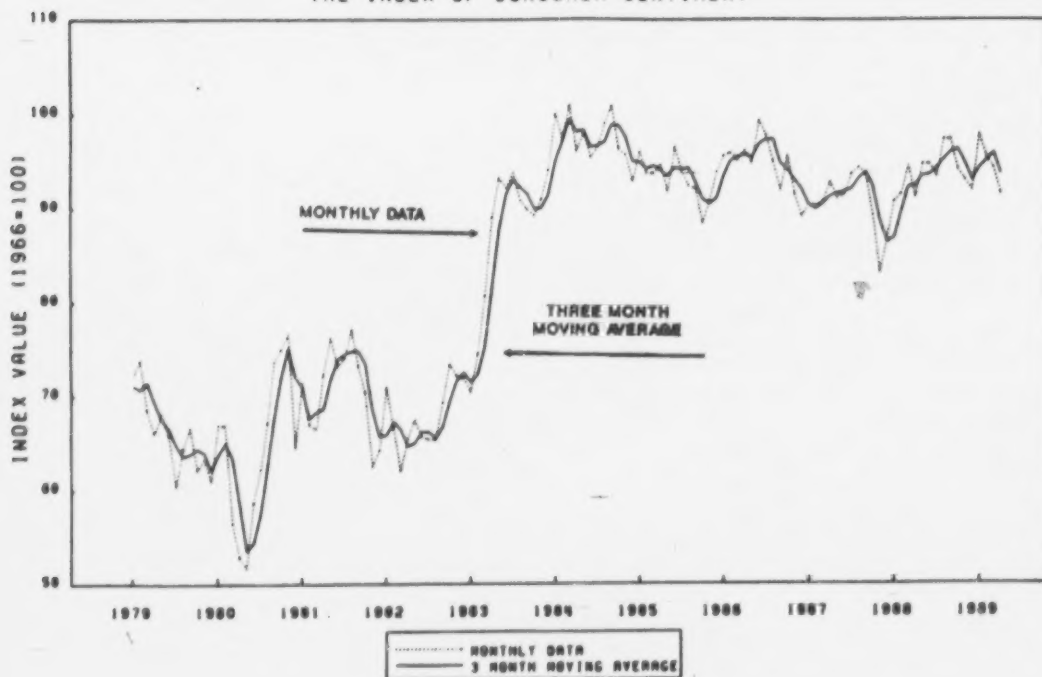
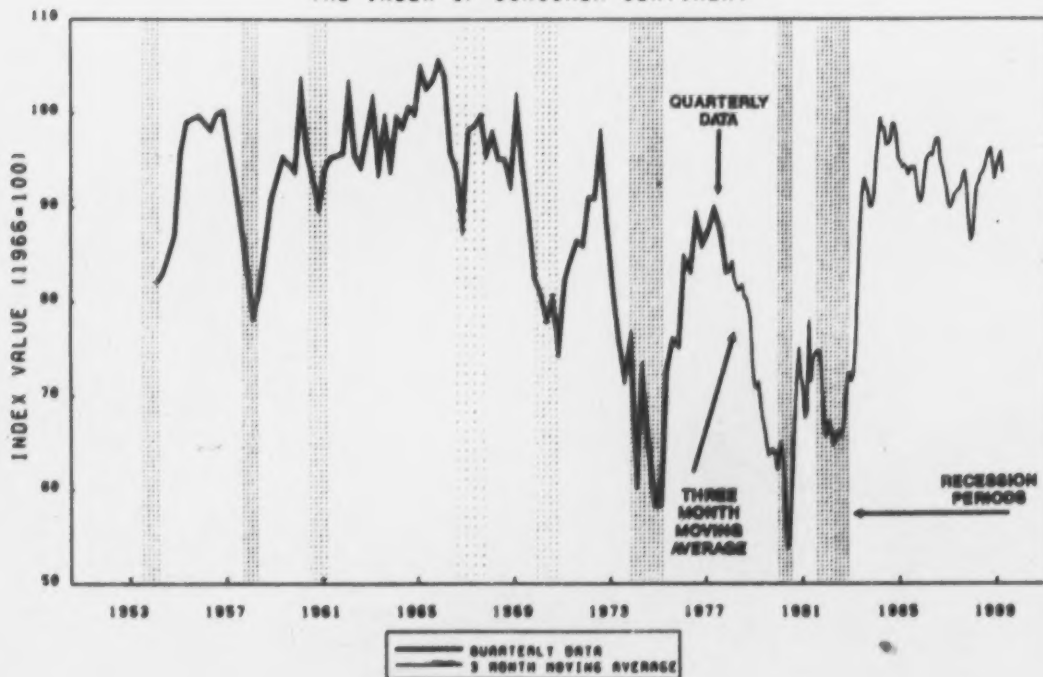


CHART 1 - HISTORICAL SERIES
THE INDEX OF CONSUMER SENTIMENT



DESCRIPTION OF CHARTS

DATA POINTS

QUARTERLY DATA: Data collected by surveys conducted at three month intervals before 1978.

MONTHLY DATA: Data collected by surveys conducted each month since January of 1978.

THREE-MONTH MOVING AVERAGE: Each point plotted represents the average of the three monthly observations ending at the date plotted.

TIME SCALE

Each tic mark on the time scale represents the month of January for the indicated year.

RECESSION PERIODS

November	1948 - October	1949
July	1953 - May	1954
August	1957 - April	1958
April	1960 - February	1961
June	1966 - November	1967*
December	1969 - November	1970
November	1973 - March	1975
January	1980 - July	1980
July	1981 - November	1982

Recession dates are determined by the National Bureau of Economic Research.

RECESSION PERIOD: Reduction in the national output of goods and services, generally lasting at least two quarters

***GROWTH RECESSION:** Retardation in the rate of growth of output and employment (usually followed by a recession and always the initial stage of a recession).

RECOMMENDED ALLOWANCE FOR SAMPLING ERROR OF A PERCENTAGE
(Sampling Error Allowance in Percentage Points¹)

For Estimated Percentage Near	Number of Interviews											
	100	200	300	400	500	750	1000	1250	1500	2000	2500	3000
1% or 99%	2.2	1.6	1.3	1.1	1.0	0.8	0.7	0.6	0.6	0.5	0.4	0.4
5% or 95%	4.9	3.5	2.8	2.4	2.2	1.8	1.5	1.4	1.3	1.1	1.0	0.9
10% or 90%	6.7	4.8	3.9	3.4	3.0	2.4	2.1	1.9	1.7	1.5	1.3	1.2
20% or 80%	9.0	6.3	5.2	4.5	4.0	3.3	2.8	2.5	2.3	2.0	1.8	1.6
30% or 70%	10.3	7.3	5.9	5.1	4.6	3.7	3.2	2.9	2.6	2.3	2.0	1.9
40% or 60%	11.0	7.8	6.3	5.5	4.9	4.0	3.5	3.1	2.8	2.4	2.2	2.0
50%	11.2	7.9	6.5	5.6	5.0	4.1	3.5	3.2	2.9	2.5	2.2	2.0

¹The figures in this table represent two standard errors. Hence, the chances are 95 in 100 that the true percentage lies within a range equal to the observed percentage, plus or minus the sampling error.



Surveys of Consumers

Richard T. Curtin, *Director*

Consumer Confidence Posts Small Gain: Cautious Optimism Prevails

Index Improves

The Index of Consumer Sentiment was 92.0 in the July 1989 survey, up from 90.6 in June. Although the July improvement was small, it did mark the first monthly increase since the start of the year. Nonetheless, the July reading still remained well below the 97.9 recorded in January 1989, and below the 93.4 recorded last July.

The small July improvement was due to more favorable assessments of prospects for the national economy, supported by declines in interest rates.

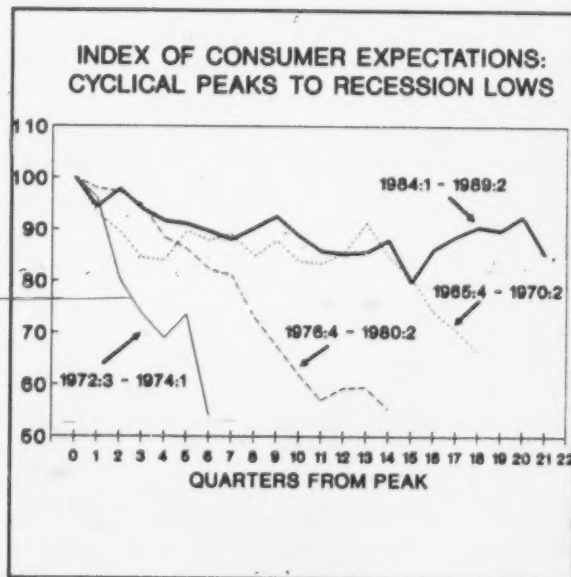
The recent improvement in sentiment was concentrated among higher income families. Among families with incomes of \$40,000 or more, the Index stood at 101.9 in July, up substantially from the 95.4 recorded in June, nearly recapturing the 103.9 recorded one year earlier.

Leading Indicator Component Posts Second Improvement

The Index of Consumer Expectations rose to 85.5 in July from 82.0 in June and 80.1 in May. This was the first consecutive improvement recorded in nearly a year, moving the Expectations Index above the 82.3 recorded one year earlier.

In contrast to the improvement in the expectations

component, consumers' evaluations of current economic conditions were less favorable. The Current Conditions Index fell to 102.1 in July, from 104.1 in June and 107.1 in May. Much of this weakness was concentrated in consumers' less favorable assessments of their current financial situation.



The chart above shows the pattern of change in the Index of Consumer Expectations from past cyclical peaks to recession lows. The data charted for each period represent the percentage of the

peak reached during that economic expansion. As can be seen from the chart, the decline prior to the 1973-75 recession was the sharpest (even before the onset of the oil embargo), followed by the decline prior to the 1980 recession. The changes recorded in the Index since the 1984 peak have been modest and most comparable to the expansion during the late 1960s. The expansions in the late 1960s and late 1980s are also similar in that both were marked by an extended period of slow economic growth.

Personal Finances Weaken

The proportion of families that reported improved finances declined in the July 1989 survey. Fewer families reported that their income had increased and more families voiced concerns that rising inflation had diminished their living standards. Although personal financial prospects have diminished, rather than turning negative, the movement has been toward the expectation of an unchanged financial situation.

Among all families in the July 1989 survey, 41 percent reported that their financial situation had improved, down from the 45 percent recorded in July 1988. When asked to explain how their financial situation had changed, the proportion that reported income increases fell to 32 percent in July 1989 from 40 percent one year earlier, while complaints about price increases rose to 16 from 11 percent.

When asked about prospects for the year ahead, 35 percent of all families in the July 1989 survey reported that they expected their financial situation to improve during the year ahead, down from the 38 percent recorded one year earlier. Importantly, half of all families expected their financial situation to remain largely unchanged during the year ahead, considering changes in both incomes and prices. Just 12 percent of all families expected their financial situation to worsen.

Outlook for Economy: Good Times Means No Recession

When asked about prospects for the economy as a whole, more families expected the performance of the national economy to remain unchanged in the July survey than anytime since the mid 1960s. Among all families 63 percent expected the performance of the national economy to remain unchanged in the July 1989 survey, up from 53 percent in July 1988. Among the balance of families, an improved economy was expected more often than a worsened situation by the margin of 20 to 14 percent.

Given the length of the current expansion and the expectation of continued economic growth (even if slow), the majority of families thought that good times financially would be maintained in the country as a whole during the year ahead—53 percent in July 1989, up from 48 percent one month earlier and 44 percent one year earlier.

While most families expected the economy to avoid recession during the year ahead, families did not expect that the economy to avoid a recession over the longer term. Although the outlook for the economy over the longer term also improved in the July 1989 survey, regaining the level recorded a year earlier, it still remains negative on balance. Among all families, 39 percent expected good times financially during the next five years, less than the 43 percent expected the reoccurrence of a recession over that time horizon.

Mortgage Rate Declines Revive Home Buying

Favorable attitudes toward buying conditions for homes were held by 64 percent of all families in the July 1989 survey, up from the Spring low of 58 percent in April, but still below the 72 percent recorded in July 1988. The improvement since the Spring has been due to declines in mortgage rates. Despite the recent improvement, home buying

attitudes are still less favorable than a year earlier due to less favorable perceptions of home prices.

Complaints about high mortgage rates fell to 15 percent in July 1989, from 23 percent one month earlier and 28 percent three months earlier. At the same time, favorable perceptions of current mortgage rates rose to 27 percent in July, up from 22 percent in June and 16 percent in April.

Favorable perceptions of home prices were held by 19 percent of all families in the July 1989 survey, down from 24 percent one year earlier. Complaints about high home prices rose to 18 from 13 percent during the past year. Consequently, while nearly twice as many respondents reported favorable as unfavorable perceptions of home prices a year ago, the proportions are now nearly equal.

Household Durables

Favorable attitudes toward buying conditions for furniture, appliances and home electronic goods were held by 71 percent of all families in the July 1989 survey, unchanged from the month earlier reading but below the 79 percent recorded a year earlier. The decline from the year earlier reading was due to somewhat less favorable perceptions of prices on these household durables. Among all families, favorable assessments of market prices fell to 31 percent in July 1989 from 34 percent one year earlier, while unfavorable price assessments rose to 10 from 6 percent.

Vehicle Buying Attitudes

Favorable car buying attitudes were held by 64 percent of all families in the July 1989 survey, up from 61 percent one month earlier and 62 percent one year earlier. Overall, the proportion of families holding favorable attitudes toward buying conditions for vehicles has remained in a relatively narrow range during the past year (from 60 to 65 percent). This stability is in part due to the expectation that price and interest rate discounts have become a permanent feature of the market.

One-third of all families mentioned the availability of price discounts in the July 1989 survey, unchanged from one month and one year earlier. Discounted interest rates on vehicle loans were mentioned by 19 percent of all families in July 1989, up from 14 percent one year earlier.

* * *

The July 1989 survey included 501 completed interviews conducted between July 1 and July 31, 1989.



SURVEYS OF CONSUMERS

U.7475-2 A



Institute for Social Research

SURVEYS OF CONSUMERS

JULY 1989

The July 1989 survey was the 252th in a series of Surveys of Consumers conducted by the Survey Research Center at The University of Michigan. Initiated in 1946, these periodic surveys provide regular assessments of consumer attitudes and expectations, and are used to evaluate economic trends and prospects. The surveys are designed to explore why changes in consumer attitudes and expectations occur, and how these changes influence consumer spending and saving decisions.

All surveys are subject to sampling error because not all members of the population are interviewed. Most results for the total sample will differ by no more than 5 percentage points in either direction from what would have been obtained by using the same methods on the entire population. See the back of this book for sampling error information.

While every effort is made to accurately measure consumer attitudes and expectations, factors other than sampling may also affect the accuracy of these (and other) findings. These factors may include effects of the question wording, the ability of respondents to articulate answers and opinions, refusal to participate in the survey, and incomplete coverage of the population. There are no standard measures of these effects, but their presence should be acknowledged when using these and all other survey data. While measurement effects are present in all surveys, a noted advantage of time-series data is that the non-sampling influences remain relatively constant across samples.

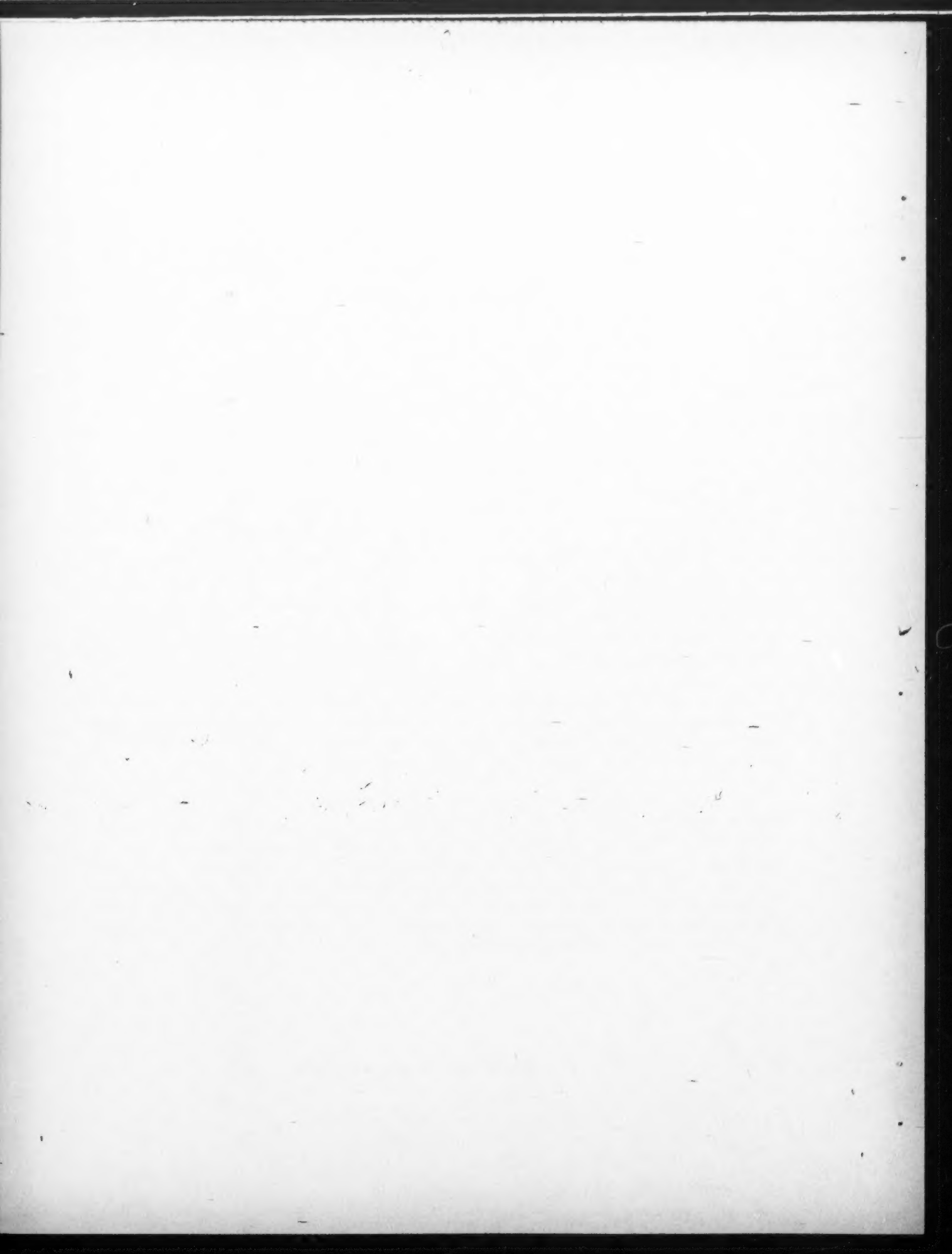


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CHART 1 - RECENT CHANGES
THE INDEX OF CONSUMER SENTIMENT



CHART 1 - HISTORICAL SERIES
THE INDEX OF CONSUMER SENTIMENT

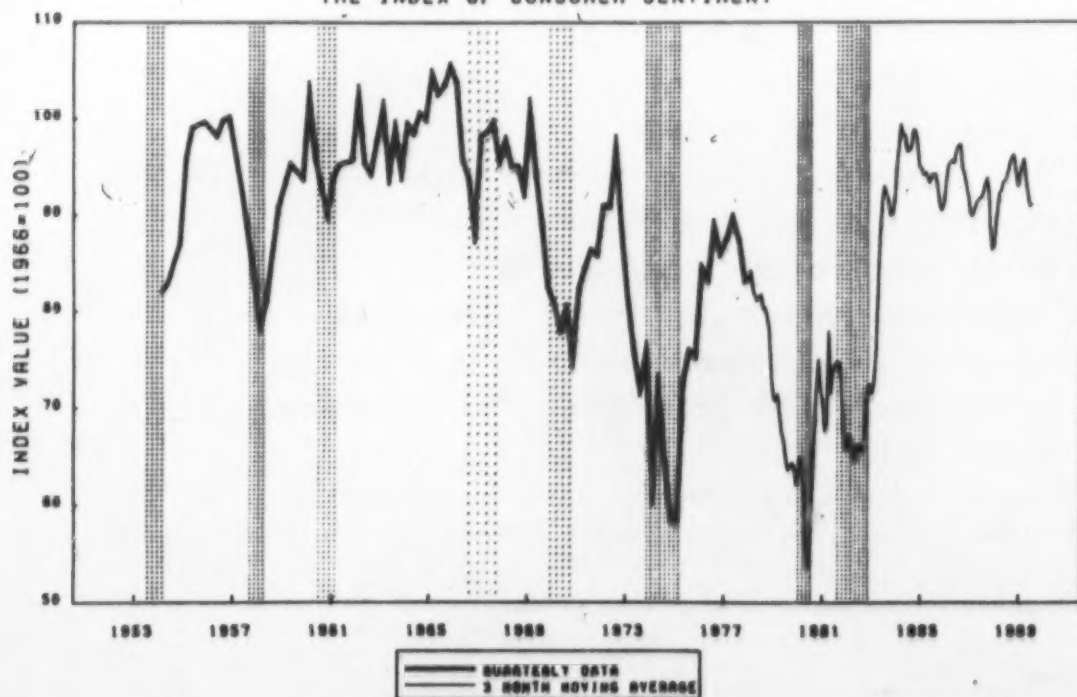


TABLE 1
THE INDEX OF CONSUMER SENTIMENT

DATE OF SURVEY	All families	Families with incomes over \$30,000	Families with incomes over \$40,000
July 1986	97.7	109.6	108.5
August 1986	94.9	105.0	106.6
September 1986	91.9	99.5	102.1
October 1986	95.6	102.8	105.5
November 1986	91.4	97.5	98.7
December 1986	89.1	98.7	98.3
January 1987	90.4	101.2	104.0
February 1987	90.2	103.6	103.6
March 1987	90.8	97.8	96.1
April 1987	92.8	98.5	103.1
May 1987	91.1	97.7	99.2
June 1987	91.5	102.9	102.9
July 1987	93.7	102.5	104.0
August 1987	94.4	104.4	109.1
September 1987	93.6	100.6	104.3
October 1987	89.3	99.9	101.8
November 1987	83.1	87.7	90.5
December 1987	86.8	94.5	96.1
January 1988	90.8	99.0	99.9
February 1988	91.6	98.1	100.8
March 1988	94.6	103.7	104.6
April 1988	91.2	99.1	99.6
May 1988	94.8	106.6	108.3
June 1988	94.7	102.3	102.7
July 1988	93.4	100.5	103.9
August 1988	97.4	105.1	104.2
September 1988	97.3	102.8	105.4
October 1988	94.1	103.0	103.7
November 1988	93.0	102.0	101.0
December 1988	91.9	97.0	99.5
January 1989	97.9	108.4	106.8
February 1989	95.4	104.6	109.6
March 1989	94.3	98.6	100.0
April 1989	91.5	99.1	99.8
May 1989	90.7	100.6	100.3
June 1989	90.6	95.2	95.4
July 1989	92.0	103.2	101.9

CHART 2A - HISTORICAL SERIES
INDEX OF CONSUMER SENTIMENT WITHIN REGION SUBGROUPS

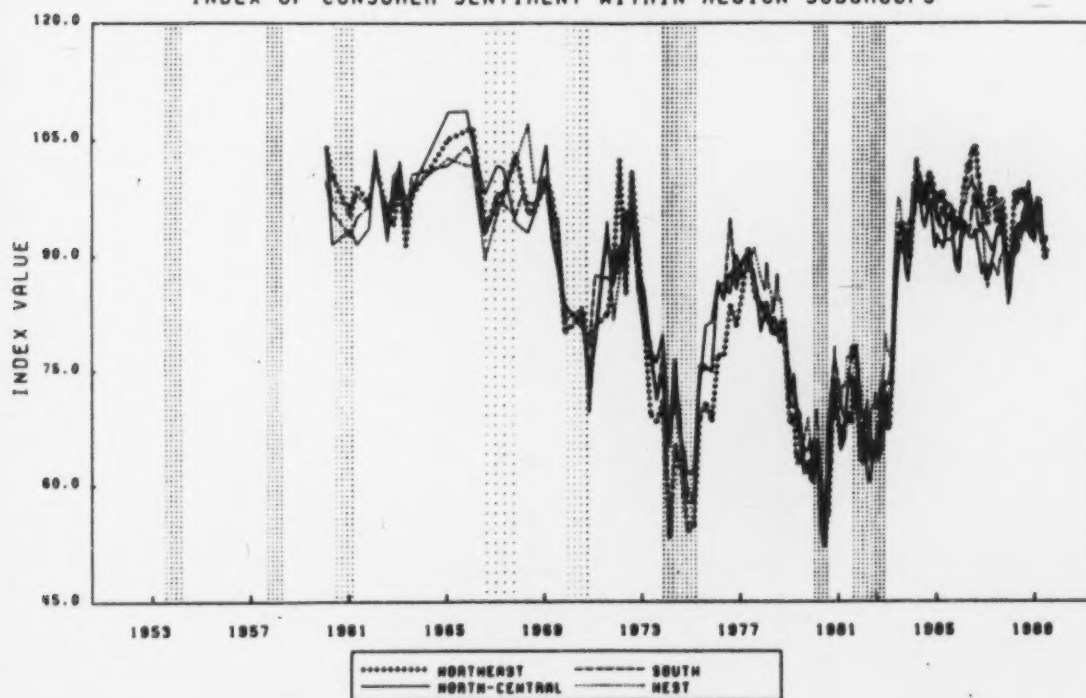


CHART 2B - HISTORICAL SERIES
INDEX OF CONSUMER SENTIMENT WITHIN AGE SUBGROUPS

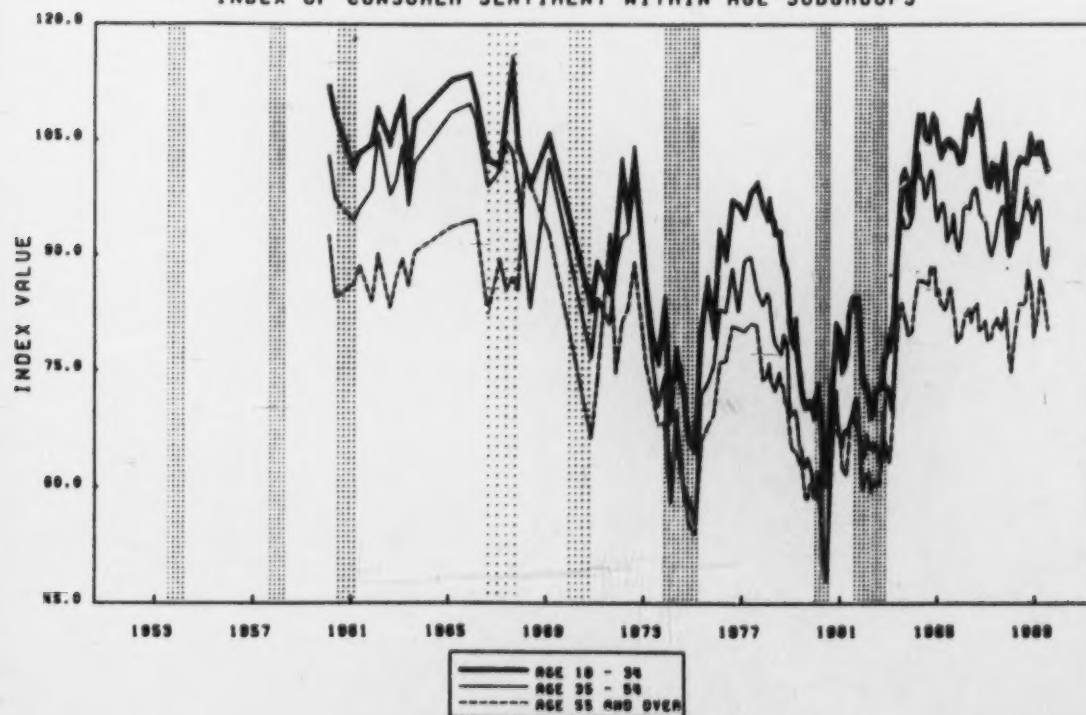


TABLE 2

INDEX OF CONSUMER SENTIMENT WITHIN REGION AND AGE SUBGROUPS

DATE OF SURVEY	CENSUS REGION				AGE OF RESPONDENT		
	North East	North Central	South	West	18-34	35-54	55+
July 1986	103.9	93.4	101.7	94.7	108.2	98.6	84.5
August 1986	102.5	92.6	90.5	98.2	107.9	95.2	80.1
September 1986	94.6	87.0	91.9	95.8	106.3	92.4	76.1
October 1986	99.1	90.0	96.5	99.3	102.5	97.3	85.7
November 1986	95.8	85.6	93.2	92.3	99.5	94.2	80.4
December 1986	91.8	90.4	89.5	84.0	98.0	91.3	78.3
January 1987	98.1	85.9	96.0	83.9	99.9	91.2	78.4
February 1987	92.4	89.5	90.7	89.2	99.1	89.2	81.5
March 1987	104.6	86.3	87.5	91.2	106.4	89.3	77.7
April 1987	99.4	91.7	93.7	87.2	99.0	95.1	83.5
May 1987	91.3	92.9	92.1	87.1	99.5	92.8	82.1
June 1987	92.5	92.2	91.5	89.7	99.0	95.5	80.0
July 1987	100.1	95.7	93.8	85.2	103.0	97.8	80.2
August 1987	99.0	91.0	95.2	93.2	103.3	95.8	80.8
September 1987	92.2	94.7	94.9	91.5	104.1	95.4	82.6
October 1987	93.8	87.2	88.3	89.1	92.0	89.9	86.2
November 1987	83.9	79.6	87.9	79.4	91.7	86.6	70.8
December 1987	83.4	83.6	90.4	89.2	94.1	92.9	73.6
January 1988	99.8	91.3	87.6	88.5	98.3	93.6	80.1
February 1988	93.7	92.1	92.8	86.3	102.5	90.3	79.9
March 1988	101.2	92.9	91.6	95.3	103.5	98.9	80.0
April 1988	94.9	93.9	88.6	89.0	100.0	87.5	86.6
May 1988	99.1	95.5	91.1	97.3	104.2	95.4	84.7
June 1988	98.1	91.2	95.9	95.2	103.1	102.0	79.5
July 1988	98.3	92.0	91.8	94.0	99.6	93.0	86.6
August 1988	95.7	100.9	94.4	98.5	103.6	101.7	86.3
September 1988	95.2	101.9	93.3	97.6	106.1	93.3	91.4
October 1988	91.8	96.1	92.9	96.6	105.8	94.6	82.0
November 1988	95.8	90.6	90.5	98.9	100.4	94.3	82.2
December 1988	90.8	90.2	96.1	88.0	103.7	97.1	73.9
January 1989	96.9	94.2	99.9	102.2	105.8	100.3	86.7
February 1989	103.5	99.2	88.8	93.6	104.3	94.2	86.7
March 1989	91.5	95.8	96.1	92.2	103.9	91.8	87.0
April 1989	83.9	94.6	93.4	90.3	101.0	87.5	83.8
May 1989	99.9	86.7	87.3	94.3	102.2	86.9	81.9
June 1989	84.7	91.2	94.4	89.8	100.0	90.4	81.1
July 1989	87.2	91.9	95.6	91.8	101.9	95.8	78.0

CHART 3 - RECENT CHANGES
CURRENT AND EXPECTED COMPONENTS

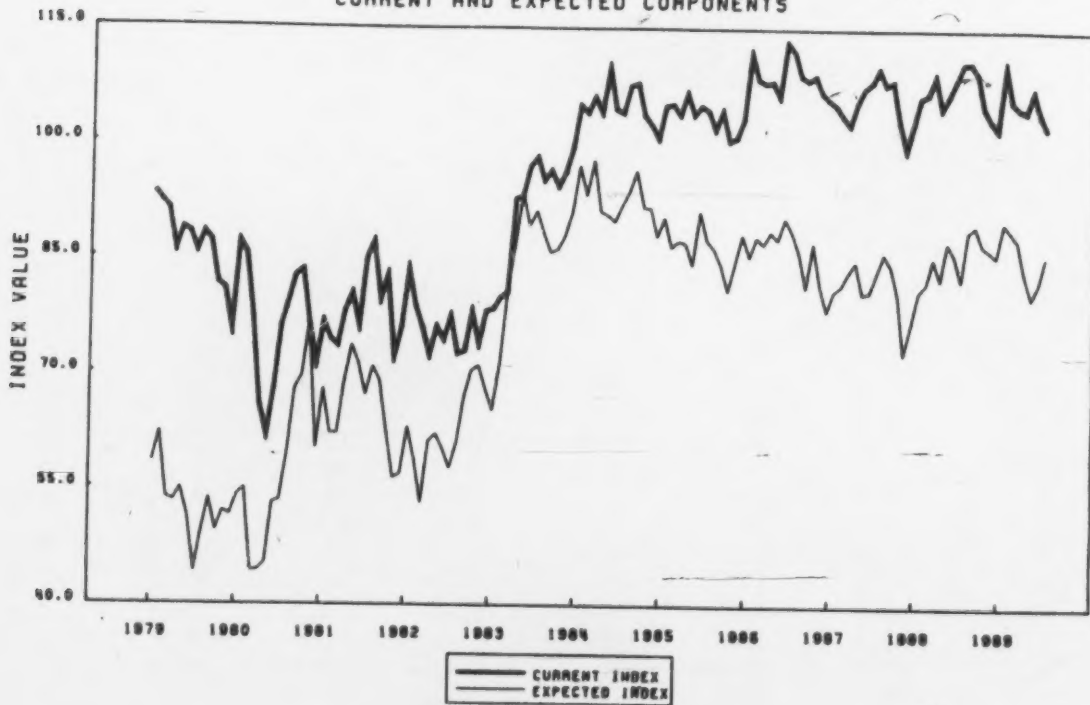


CHART 3 - HISTORICAL SERIES
CURRENT AND EXPECTED COMPONENTS

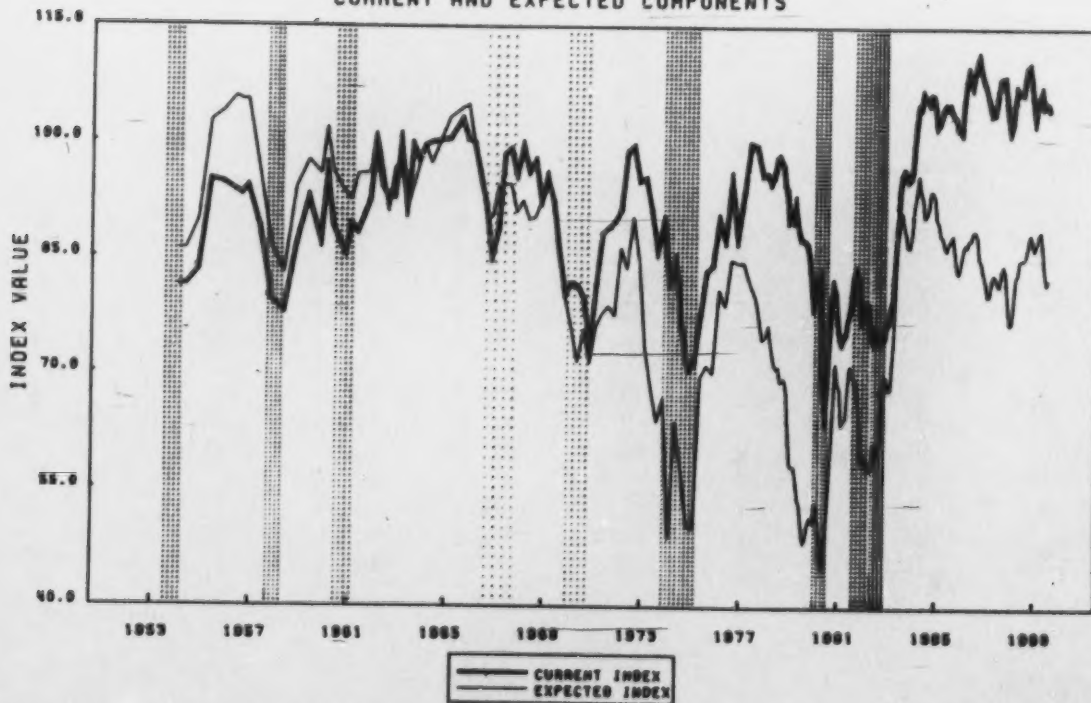


TABLE 3
COMPONENTS OF THE INDEX OF CONSUMER SENTIMENT

		INDEX COMPONENTS +						
		Personal finances		Business conditions		Buying conds.	Current Index	Expected Index
		Current	Expected	12 months	5 years			
DATE OF SURVEY		(1)	(2)	(3)	(4)	(5)	(1,5)	(2,3,4)
July 1986		126	130	131	94	165	112.1	88.5
August 1986		121	128	123	94	161	108.9	85.9
September 1986		120	127	115	84	161	108.3	81.3
October 1986		120	127	124	99	162	108.9	87.1
November 1986		121	121	120	87	155	106.7	81.6
December 1986		116	127	104	83	158	105.8	78.3
January 1987		120	130	117	77	152	105.1	80.9
February 1987		115	126	117	84	153	103.7	81.6
March 1987		114	122	121	92	152	102.5	83.3
April 1987		116	127	116	97	158	105.5	84.7
May 1987		117	121	114	89	161	107.4	80.6
June 1987		120	122	113	89	161	108.1	80.8
July 1987		123	123	118	94	162	109.9	83.3
August 1987		122	127	125	93	157	107.8	85.8
September 1987		119	124	122	92	162	108.3	84.2
October 1987		118	128	105	90	149	103.1	80.4
November 1987		115	118	93	80	142	99.3	72.7
December 1987		119	120	98	89	147	102.7	76.7
January 1988		122	131	110	84	154	106.2	80.9
February 1988		122	130	108	90	155	106.6	81.9
March 1988		127	133	114	96	156	109.1	85.2
April 1988		117	125	117	89	154	104.8	82.4
May 1988		111	127	125	98	165	106.5	87.3
June 1988		119	129	121	95	163	108.6	85.7
July 1988		120	128	106	96	167	110.7	82.3
August 1988		127	127	125	105	160	110.8	88.8
September 1988		127	133	125	102	157	109.4	89.5
October 1988		114	124	129	97	158	105.0	87.0
November 1988		112	128	122	97	156	103.3	86.3
December 1988		114	127	119	98	150	102.0	85.5
January 1989		121	131	128	103	165	110.3	89.9
February 1989		120	130	128	99	154	105.7	88.8
March 1989		116	131	123	98	156	104.8	87.6
April 1989		113	130	113	91	158	104.4	83.2
May 1989		121	125	107	89	157	107.1	80.1
June 1989		115	123	115	90	155	104.1	82.0
July 1989		112	123	124	96	152	102.1	85.5

(1) See Table 4.

(2) See Table 6.

(3) See Table 15.

(4) See Table 16.

(5) See Table 21.

+ : Percent saying "GOOD TIMES" (or "BETTER"), minus percent saying "BAD TIMES" (or "WORSE"), plus 100.

CHART 4 - RECENT CHANGES
CURRENT FINANCIAL SITUATION COMPARED WITH A YEAR AGO



CHART 4 - HISTORICAL SERIES
CURRENT FINANCIAL SITUATION COMPARED WITH A YEAR AGO

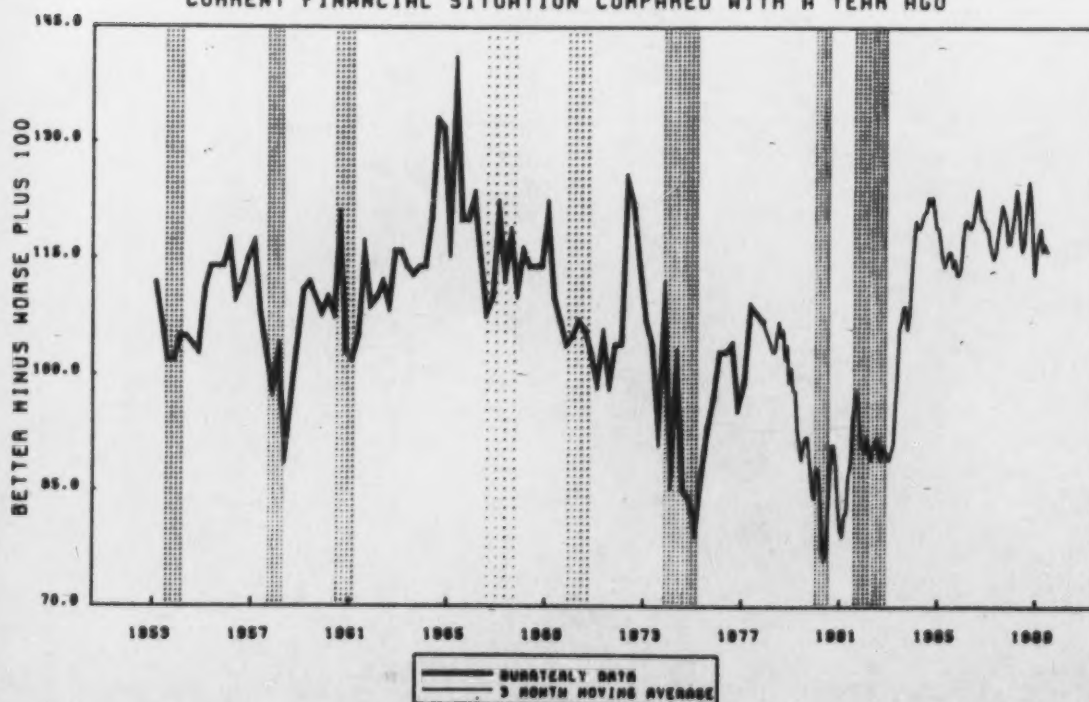


TABLE 4

CURRENT FINANCIAL SITUATION COMPARED TO A YEAR AGO

	July 1988	Aug. 1988	Sept 1988	Oct. 1988	Nov. 1988	Dec. 1988	Jan. 1989	Feb. 1989	Mar. 1989	Apr. 1989	May 1989	June 1989	July 1989
BETTER OFF	45%	50%	49%	42%	41%	39%	44%	44%	42%	42%	45%	38%	41%
SAME	29	26	28	30	30	36	33	31	32	29	31	38	30
WORSE OFF	25	23	22	28	29	25	23	24	26	29	24	23	29
DK,NA	1	1	1	*	*	*	*	1	*	*	*	1	*
TOTAL	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%
CASES	501	500	500	501	508	500	501	500	502	500	503	507	501

The question was: "We are interested in how people are getting along financially these days. Would you say that you (and your family living there) are better off or worse off financially than you were a year ago?"

* : Less than half of one percent.

CHART 5A - HISTORICAL SERIES
REASONS FOR OPINIONS ABOUT PERSONAL FINANCIAL SITUATION

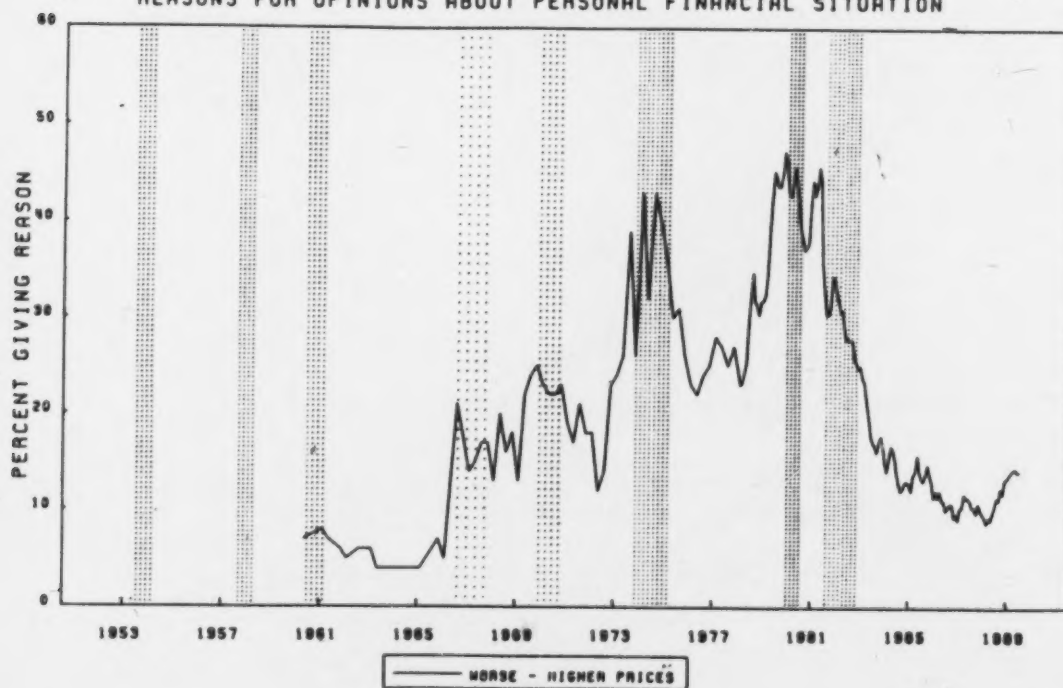


CHART 5B - HISTORICAL SERIES
REASONS FOR OPINIONS ABOUT PERSONAL FINANCIAL SITUATION

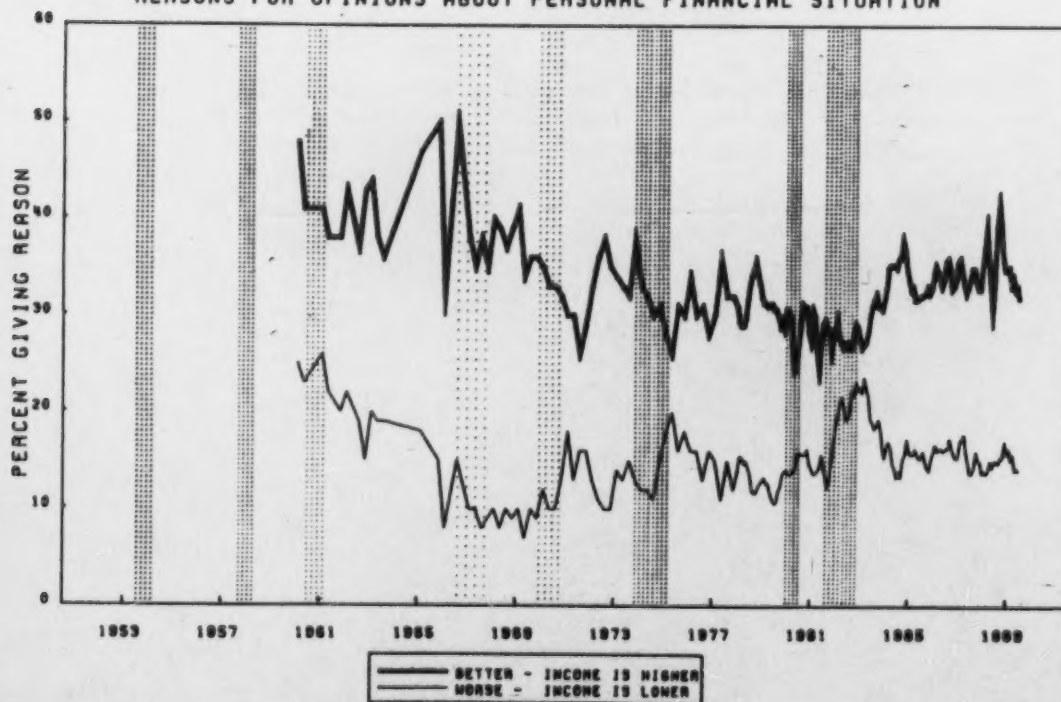


TABLE 5

SELECTED REASONS FOR OPINIONS ABOUT PERSONAL FINANCIAL SITUATION +

	July 1988	Aug. 1988	Sept 1988	Oct. 1988	Nov. 1988	Dec. 1988	Jan. 1989	Feb. 1989	Mar. 1989	Apr. 1989	May 1989	June 1989	July 1989
BETTER OFF THAN YEAR AGO:													
Income is higher	40%	45%	40%	34%	35%	35%	34%	36%	30%	36%	32%	31%	32%
WORSE OFF THAN YEAR AGO:													
Income is lower	16	16	12	18	16	17	14	18	13	16	13	14	15
Higher prices	11	13	9	15	11	14	15	12	15	16	12	14	16

Responses to the query: "Why do you say so?" following the question on Table 4.

+ : May add to more than 100% due to multiple mentions.

CHART 6 - RECENT CHANGES
EXPECTED CHANGE IN FINANCIAL SITUATION

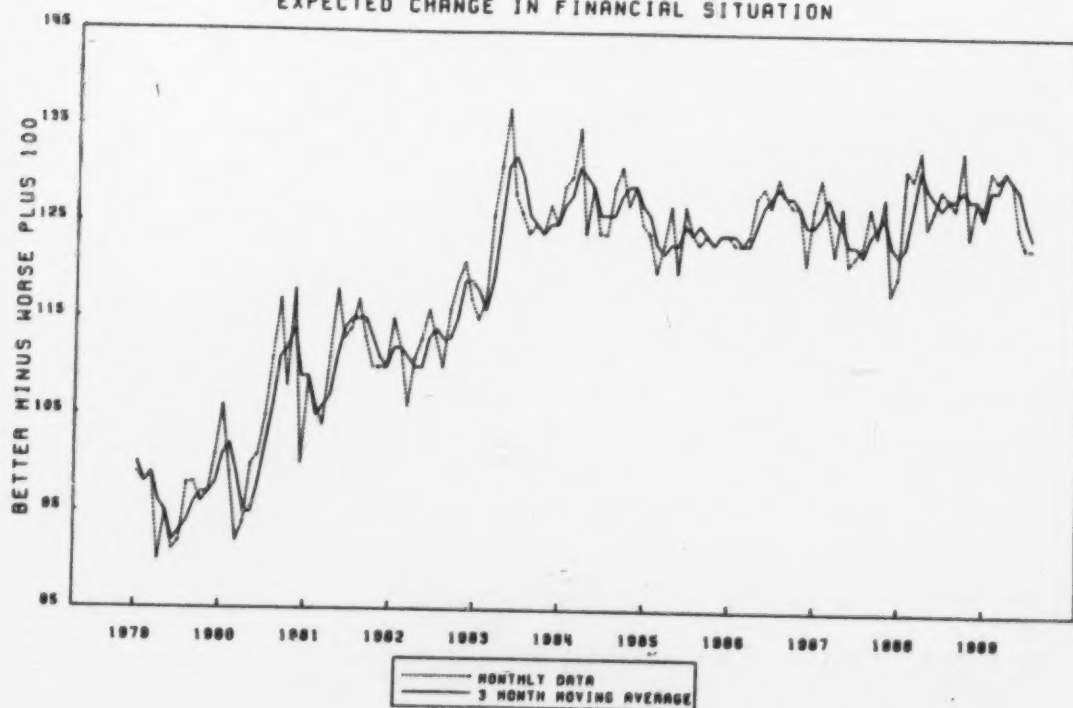


CHART 6 - HISTORICAL SERIES
EXPECTED CHANGE IN FINANCIAL SITUATION

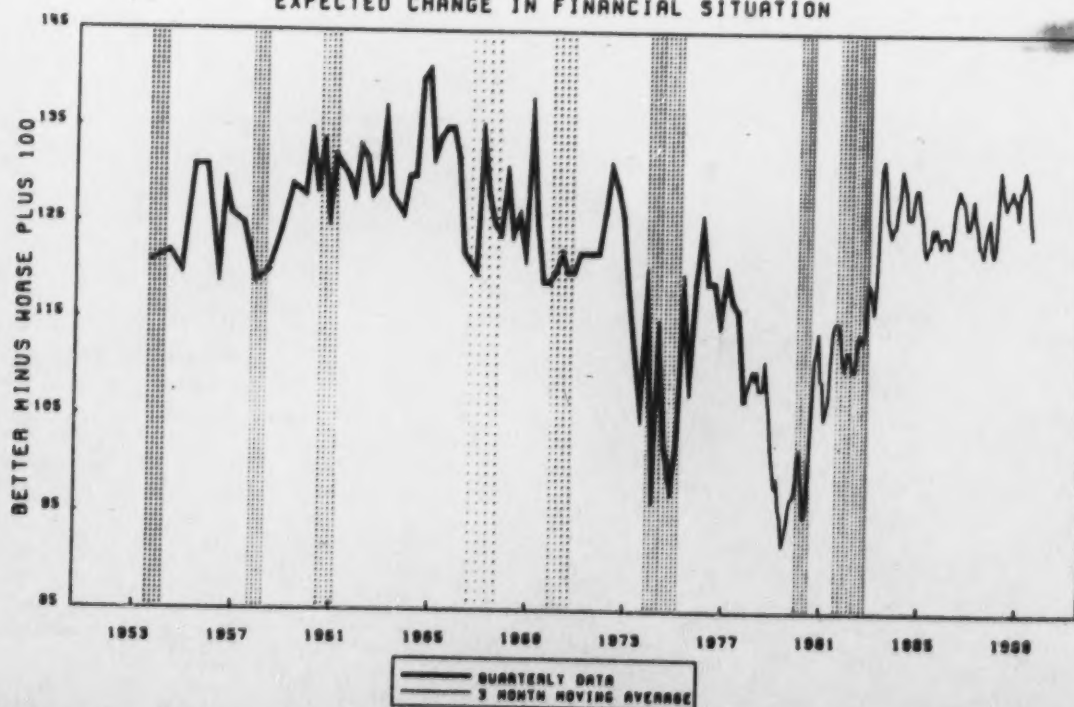


TABLE 6

EXPECTED CHANGE IN FINANCIAL SITUATION

	July 1988	Aug. 1988	Sept 1988	Oct. 1988	Nov. 1988	Dec. 1988	Jan. 1989	Feb. 1989	Mar. 1989	Apr. 1989	May 1989	June 1989	July 1989
BETTER OFF	38%	36%	41%	36%	37%	39%	41%	40%	40%	41%	39%	34%	35%
SAME	48	49	47	48	49	46	47	46	49	46	45	52	50
WORSE OFF	10	9	8	12	9	12	10	10	9	11	14	11	12
DK,NA	4	6	4	4	5	3	2	4	2	2	2	3	3
TOTAL	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%
CASES	501	500	500	501	508	500	501	500	502	500	503	507	501

The question was: "Now looking ahead--do you think that a year from now you (and your family living there) will be better off financially, or worse off, or just about the same as now?"

CHART 7 - RECENT CHANGES
TREND IN PERSONAL FINANCIAL SITUATION



CHART 7 - HISTORICAL SERIES
TREND IN PERSONAL FINANCIAL SITUATION

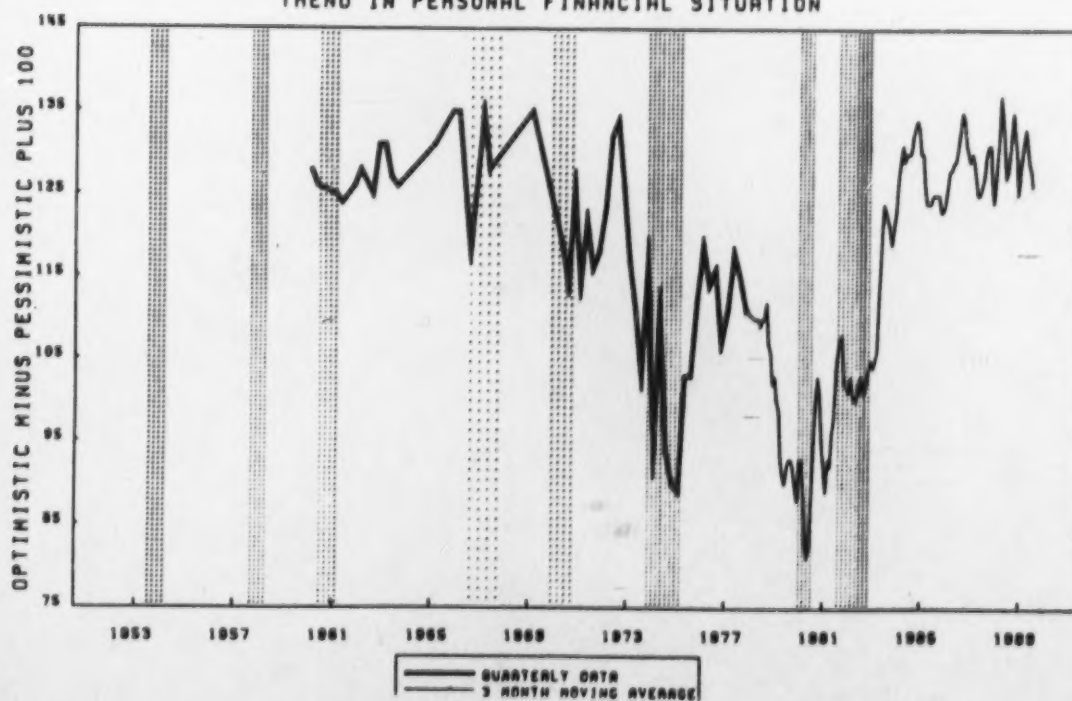


TABLE 7

TREND IN PERSONAL FINANCIAL SITUATION

	July 1988	Aug. 1988	Sept 1988	Oct. 1988	Nov. 1988	Dec. 1988	Jan. 1989	Feb. 1989	Mar. 1989	Apr. 1989	May 1989	June 1989	July 1989
PERSONAL FINANCIAL PROGRESS:													
Continuous increase (a)	19%	25%	25%	20%	21%	22%	23%	22%	20%	21%	21%	16%	19%
Intermittant increase (b)	31	26	28	25	25	23	29	29	29	27	31	28	28
Remain unchanged (c)	16	16	17	18	18	20	18	17	18	17	14	22	18
Intermittant decline (d)	13	14	10	15	16	16	13	12	15	13	18	15	15
Continuous decline (e)	4	4	3	6	4	4	5	5	4	7	4	4	8
Mixed change (f)	13	8	12	11	11	11	10	11	12	13	9	11	9
DK, NA	4	7	5	5	5	4	2	4	2	2	3	4	3
TOTAL	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%
CASES	501	500	500	501	508	500	501	500	502	500	503	507	501

Combination of the responses to the questions on Tables 4 and 6.

- Key: (a) Better off financially than a year ago/Better off a year from now
 (b) Better/Same or Same/Better
 (c) Same/Same
 (d) Worse/Same or Same/Worse
 (e) Worse/Worse
 (f) Worse/Better or Better/Worse

CHART 8 - RECENT CHANGES
 MEDIAN EXPECTED CHANGE IN FAMILY INCOME

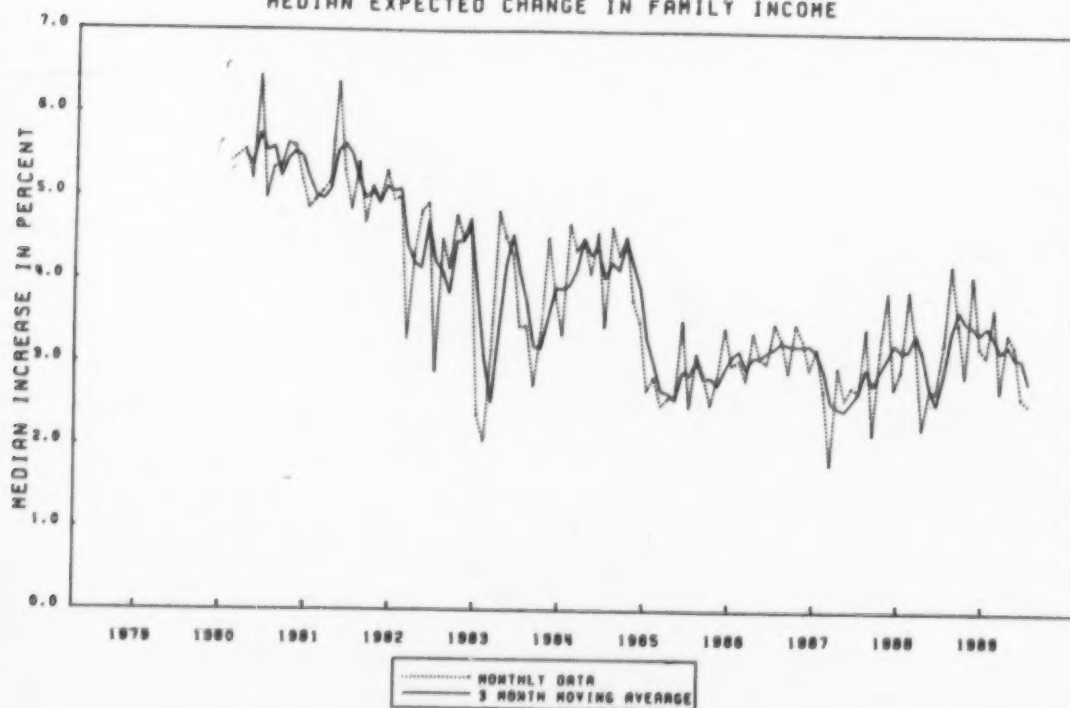


CHART 8 - HISTORICAL SERIES
 MEDIAN EXPECTED CHANGE IN FAMILY INCOME

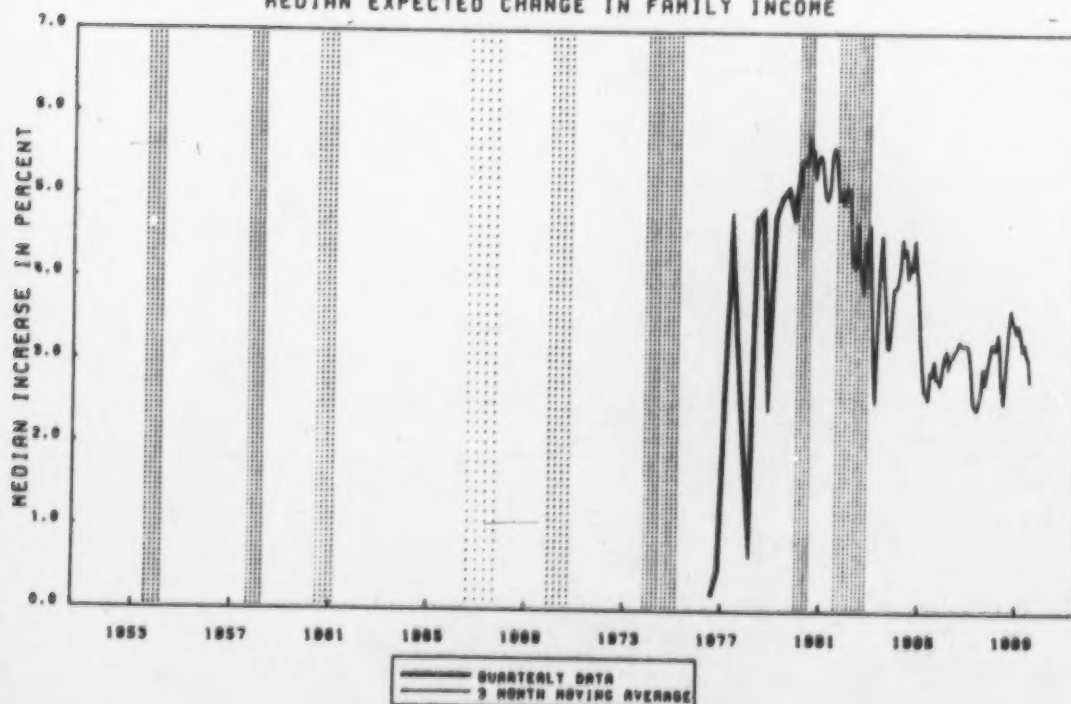


TABLE 8

EXPECTED FAMILY INCOME CHANGE DURING THE NEXT 12 MONTHS

	July 1988	Aug. 1988	Sept 1988	Oct. 1988	Nov. 1988	Dec. 1988	Jan. 1989	Feb. 1989	Mar. 1989	Apr. 1989	May 1989	June 1989	July 1989
EXPECT INCREASE:													
1-4%	18%	14%	16%	16%	18%	21%	15%	17%	16%	17%	16%	18%	15%
5%	10	14	10	12	11	11	9	15	10	12	9	11	9
6-9%	10	9	8	6	9	7	10	7	7	7	7	6	6
10-24%	14	17	16	15	15	15	14	15	14	15	17	14	16
25% or more	7	5	8	6	7	6	8	7	7	7	8	6	6
DK how much up	5	6	6	5	7	4	4	5	5	5	4	5	6
EXPECT SAME	24	25	25	27	20	22	27	22	27	23	26	27	31
EXPECT DOWN	11	9	10	12	11	13	13	11	14	12	12	12	10
DK, NA	1	1	1	1	2	1	*	1	*	2	1	1	1
-TOTAL	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%
CASES	501	500	500	501	508	500	501	500	502	500	503	507	501

The questions were: "During the next 12 months, do you expect your (family) income to be higher or lower than during the past year?" and "By about what percent do you expect your (family) income to increase during the next 12 months?"

* : Less than half of one percent.

CHART 9 - RECENT CHANGES
INCOME OR PRICES UP MORE NEXT YEAR

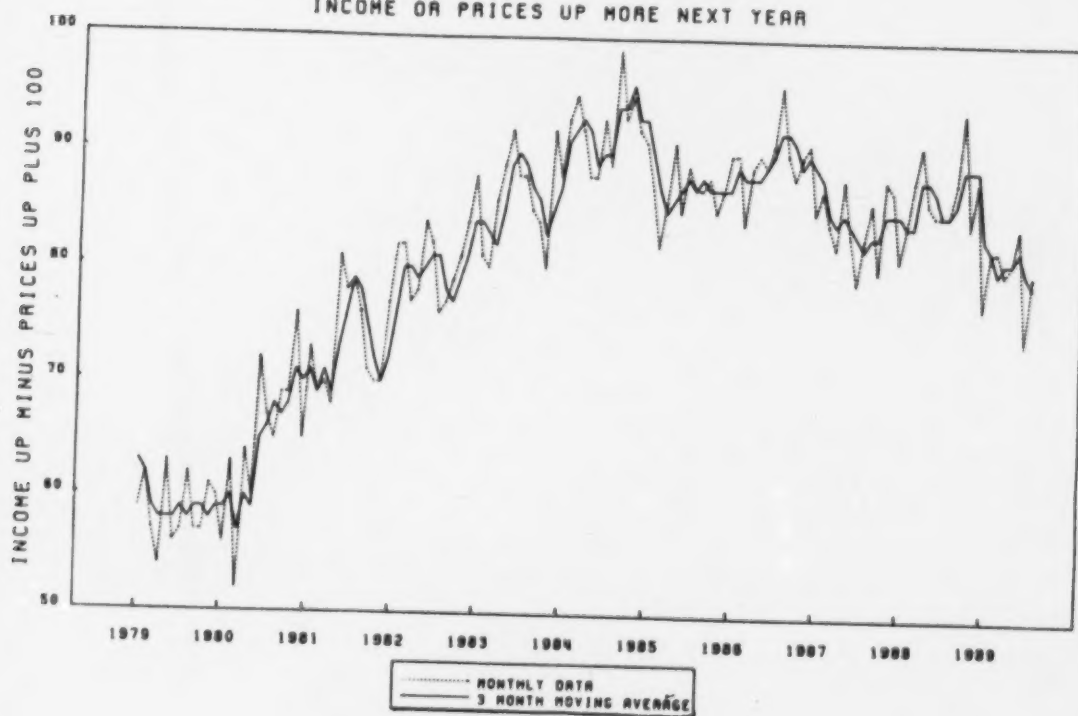


CHART 9 - HISTORICAL SERIES
INCOME OR PRICES UP MORE NEXT YEAR

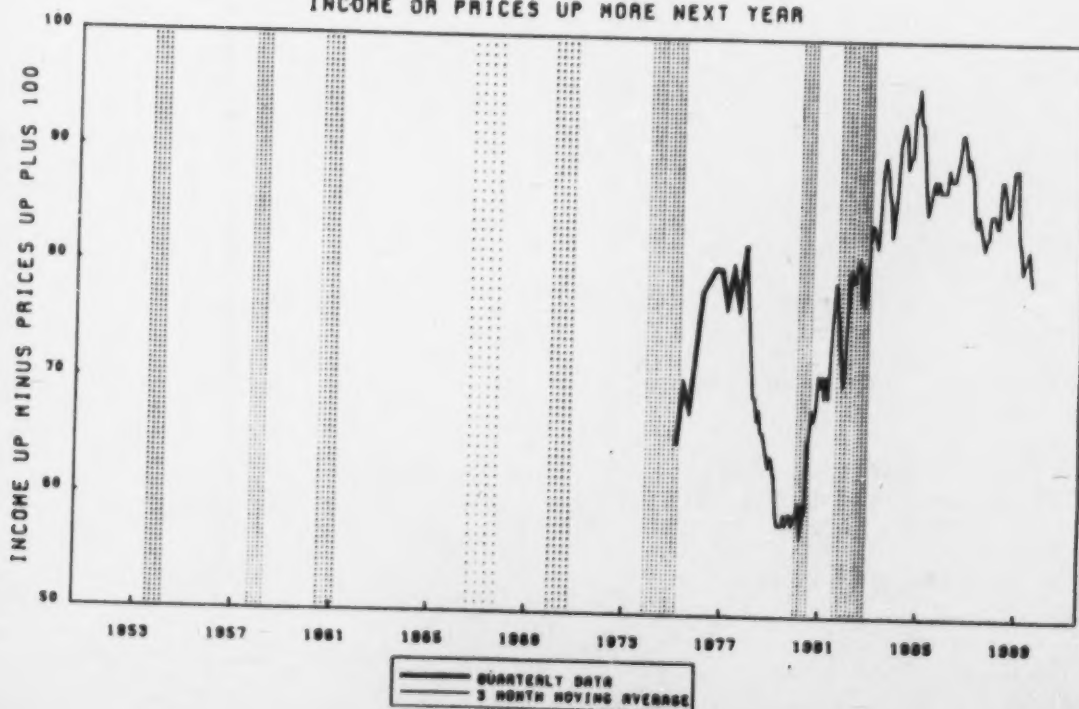


TABLE 9

EXPECTED CHANGE IN REAL FAMILY INCOME

	July 1988	Aug. 1988	Sept 1988	Oct. 1988	Nov. 1988	Dec. 1988	Jan. 1989	Feb. 1989	Mar. 1989	Apr. 1989	May 1989	June 1989	July 1989
INCOME UP MORE	19%	20%	25%	18%	21%	17%	19%	18%	17%	18%	22%	16%	19%
INCOME UP SAME	46	43	41	46	43	41	41	43	44	43	37	39	40
PRICES UP MORE	34	32	31	34	33	40	37	36	37	37	38	42	39
DK,NA	1	5	3	2	3	2	3	3	2	2	3	3	2
TOTAL	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%
CASES	501	500	500	501	508	500	501	500	502	500	503	507	501

The question was: "How about the next year or two--do you expect that your (family) income will go up more than prices will go up, about the same, or less than prices will go up?"

CHART 10 - RECENT CHANGES
NEWS HEARD OF RECENT CHANGES IN BUSINESS CONDITIONS

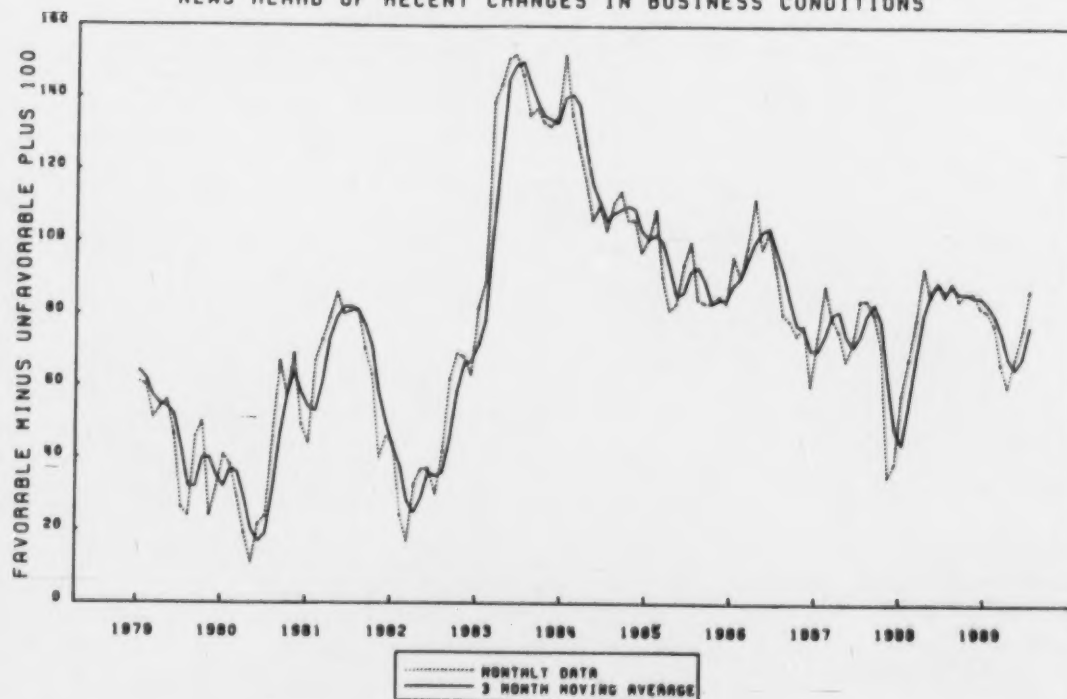


CHART 10 - HISTORICAL SERIES
NEWS HEARD OF RECENT CHANGES IN BUSINESS CONDITIONS

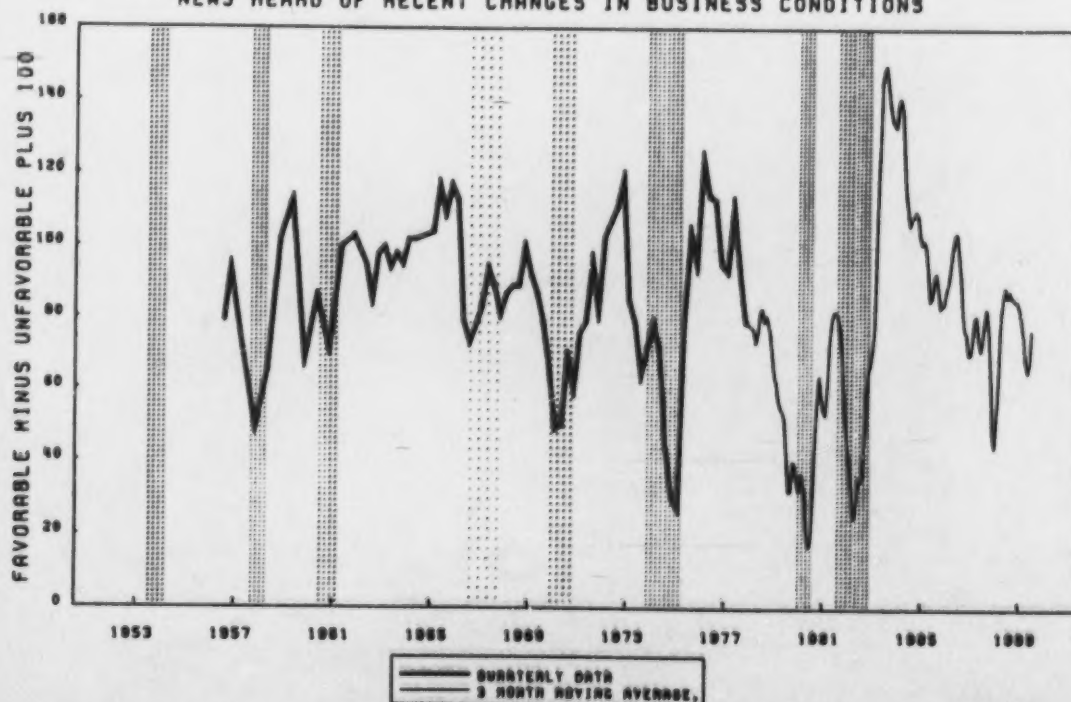


TABLE 10

NEWS HEARD OF RECENT CHANGES IN BUSINESS CONDITIONS +

	July 1988	Aug. 1988	Sept 1988	Oct. 1988	Nov. 1988	Dec. 1988	Jan. 1989	Feb. 1989	Mar. 1989	Apr. 1989	May 1989	June 1989	July 1989
FAVORABLE NEWS	29%	28%	32%	29%	25%	30%	24%	27%	22%	18%	22%	23%	28%
UNFAVORABLE NEWS	44	39	48	43	39	48	43	50	56	58	54	47	41
NO MENTIONS	50	53	46	52	54	50	55	48	49	48	48	53	50

The questions were: "During the last few months, have you heard of any favorable or unfavorable changes in business conditions?" and "What did you hear?"

+ : May add to more than 100% due to multiple mentions.

CHART 11A - HISTORICAL SERIES
TYPE OF NEWS HEARD ABOUT CHANGES IN BUSINESS CONDITIONS

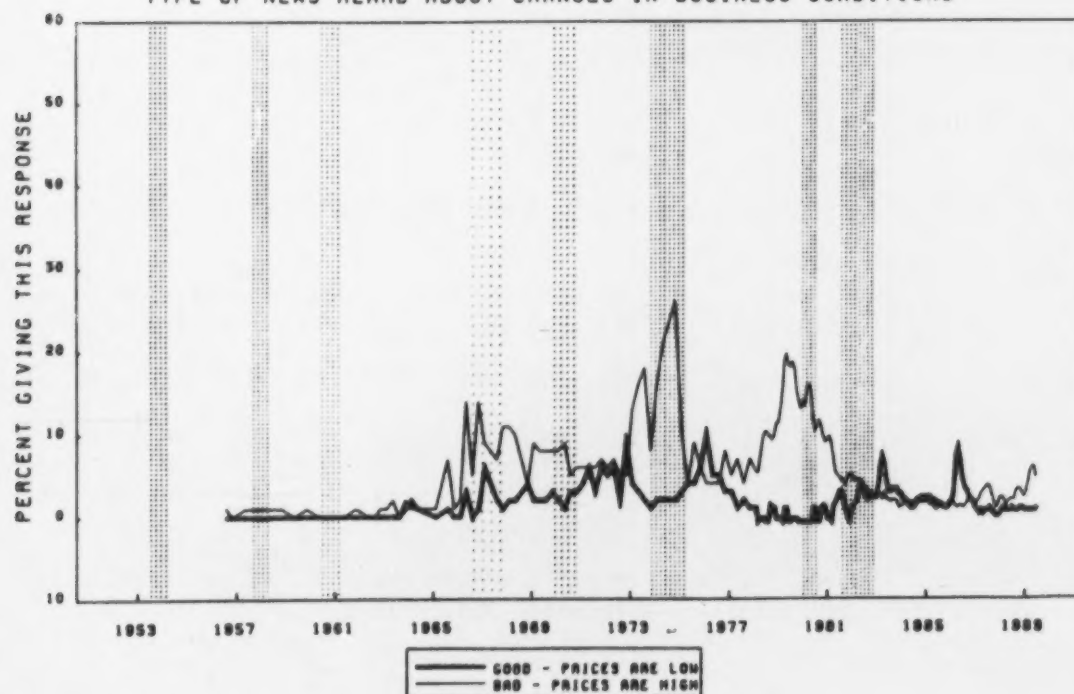


CHART 11B - HISTORICAL SERIES
TYPE OF NEWS HEARD ABOUT CHANGES IN BUSINESS CONDITIONS

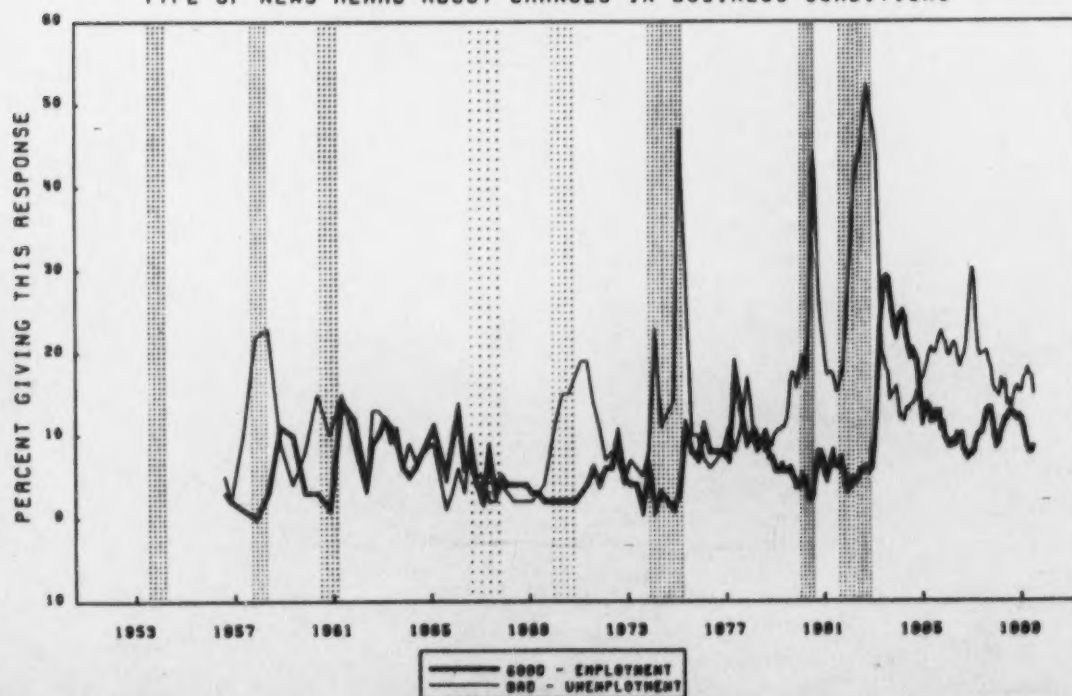


TABLE 11
SELECTED ITEMS OF
NEWS HEARD OF RECENT CHANGES IN BUSINESS CONDITIONS +

	July 1988	Aug. 1988	Sept 1988	Oct. 1988	Nov. 1988	Dec. 1988	Jan. 1989	Feb. 1989	Mar. 1989	Apr. 1989	May 1989	June 1989	July 1989
FAVORABLE NEWS:													
Government; elections	1%	2%	3%	2%	2%	4%	2%	5%	3%	1%	1%	1%	*
Employment	13	14	11	12	13	12	11	10	8	8	8	8	10
Higher consumer demand	3	2	2	2	2	2	2	1	1	3	2	1	2
Lower prices	1	*	1	1	1	1	*	1	1	*	1	1	1
Easier credit	1	1	1	1	1	1	1	1	1	*	1	4	6
Stock market	3	1	2	2	1	1	2	1	1	1	2	2	2
Trade deficit	1	1	3	2	1	1	1	1	1	1	1	*	1
UNFAVORABLE NEWS:													
Government; elections	4	3	3	5	6	7	7	7	5	4	4	4	5
Unemployment	14	12	18	17	13	16	17	18	17	20	15	17	13
Lower consumer demand	2	3	3	3	2	2	2	4	3	2	4	3	3
Higher prices	2	2	5	3	2	3	2	4	6	6	6	6	2
Tighter credit	3	7	6	4	2	6	4	5	10	12	10	5	3
Stock market	5	3	2	3	3	4	1	1	2	2	2	1	1
Trade deficit	1	2	1	1	4	2	2	3	3	3	2	3	5

The questions were: "During the last few months, have you heard of any favorable or unfavorable changes in business conditions?" and "What did you hear?"

+ : May add to more than 100% due to multiple mentions.

* : Less than half of one percent.

CHART 12 - RECENT CHANGES
CURRENT BUSINESS CONDITIONS COMPARED WITH A YEAR AGO

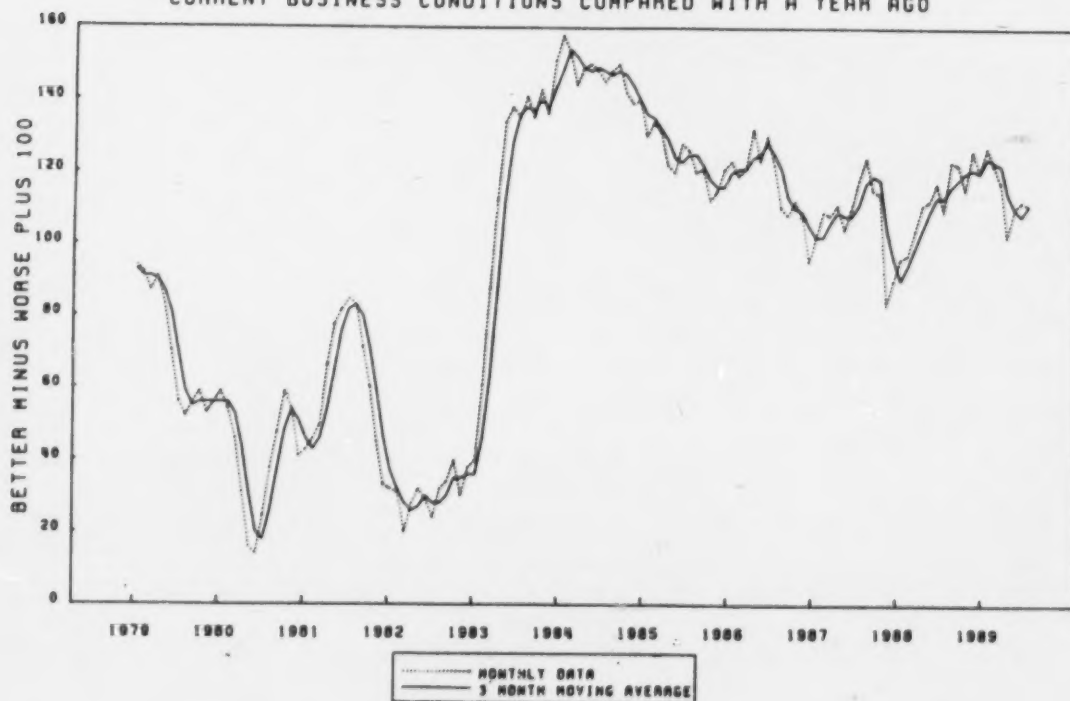


CHART 12 - HISTORICAL SERIES
CURRENT BUSINESS CONDITIONS COMPARED WITH A YEAR AGO

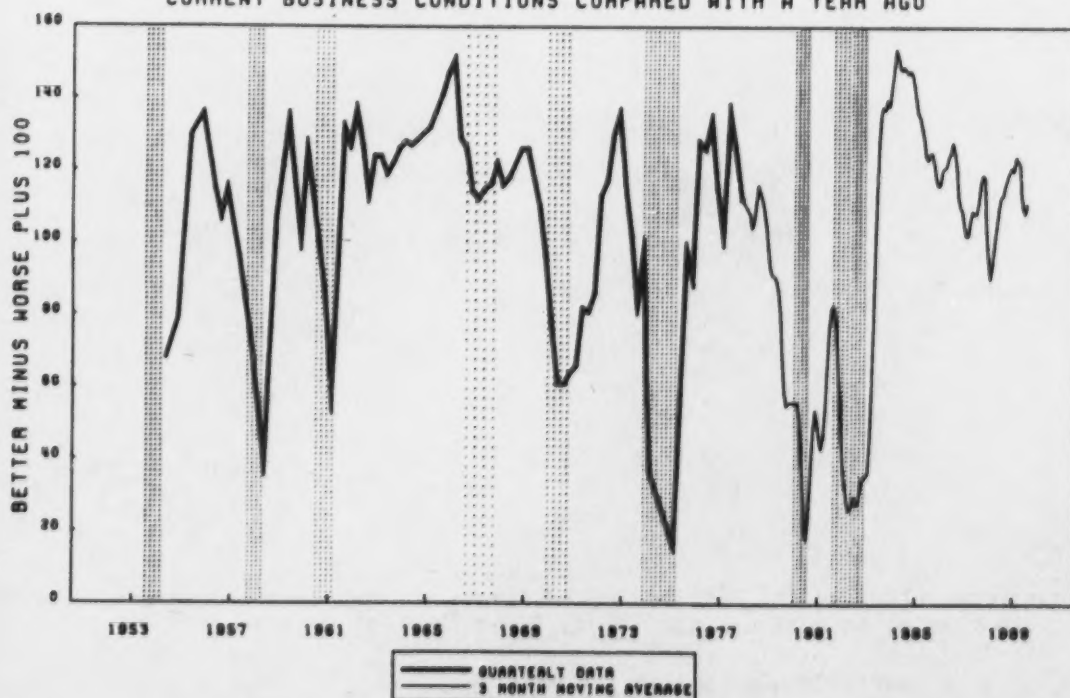


TABLE 12
CURRENT BUSINESS CONDITIONS COMPARED TO A YEAR AGO

	July 1988	Aug. 1988	Sept 1988	Oct. 1988	Nov. 1988	Dec. 1988	Jan. 1989	Feb. 1989	Mar. 1989	Apr. 1989	May 1989	June 1989	July 1989
BETTER NOW	45%	51%	50%	46%	54%	49%	53%	48%	47%	41%	44%	45%	43%
SAME	15	18	20	21	17	20	19	22	22	18	19	18	22
WORSE NOW	36	28	28	31	28	29	26	26	30	39	34	33	32
DK,NA	4	3	2	2	1	2	2	4	1	2	3	4	3
TOTAL	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%
CASES	501	500	500	501	508	500	501	500	502	500	503	507	501

The question was: "Would you say that at the present time business conditions are better or worse than they were a year ago?"

CHART 13 - RECENT CHANGES
EXPECTED CHANGE IN BUSINESS CONDITIONS IN A YEAR



CHART 13 - HISTORICAL SERIES
EXPECTED CHANGE IN BUSINESS CONDITIONS IN A YEAR

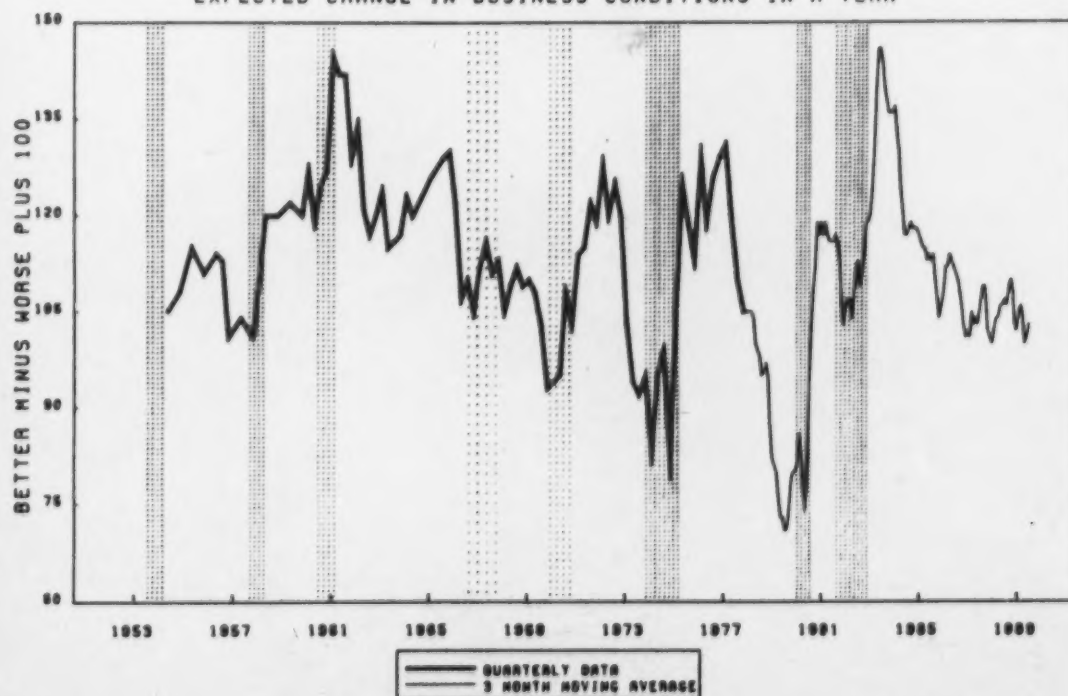


TABLE 13
EXPECTED CHANGE IN BUSINESS CONDITIONS IN A YEAR

	July 1988	Aug. 1988	Sept 1988	Oct. 1988	Nov. 1988	Dec. 1988	Jan. 1989	Feb. 1989	Mar. 1989	Apr. 1989	May 1989	June 1989	July 1989
BETTER	23%	24%	27%	23%	19%	19%	23%	26%	22%	20%	19%	24%	20%
SAME	53	54	55	59	60	59	56	54	59	57	56	57	63
WORSE	18	16	14	14	18	19	17	17	18	21	22	17	14
DK,NA	6	6	4	4	3	3	4	3	1	2	3	2	3
TOTAL	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%
CASES	501	500	500	501	508	500	501	500	502	500	503	507	501

The question was: "And how about a year from now, do you expect that in the country as a whole business conditions will be better, or worse than they are at present, or just about the same?"

CHART 14 - RECENT CHANGES
TREND IN PAST AND EXPECTED BUSINESS CONDITIONS

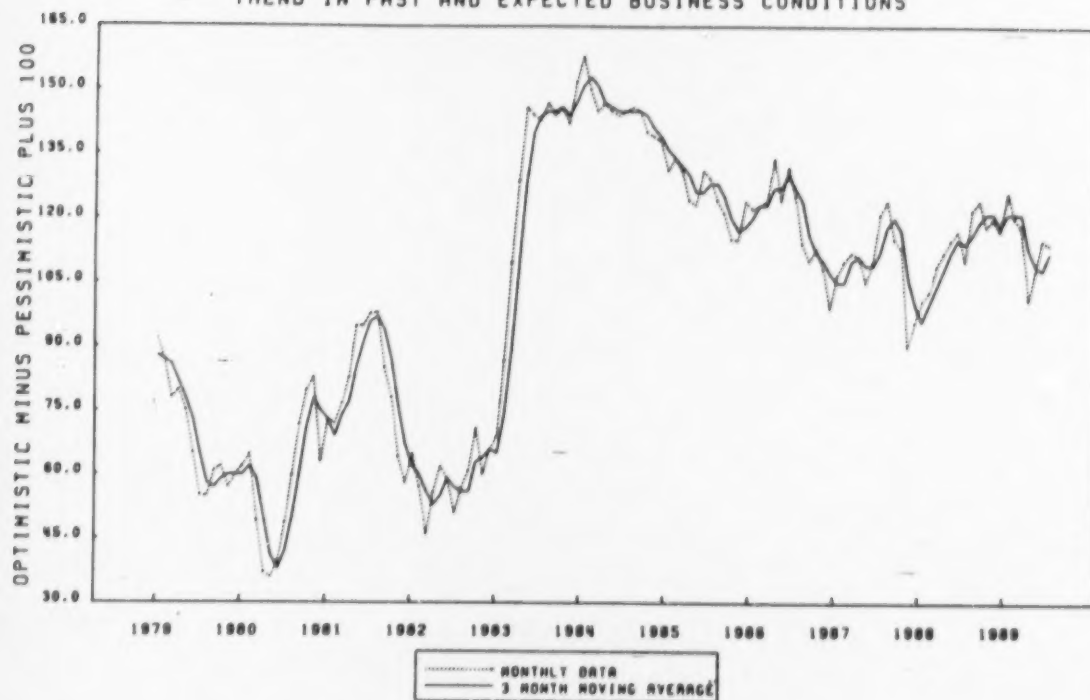


CHART 14 - HISTORICAL SERIES
TREND IN PAST AND EXPECTED BUSINESS CONDITIONS

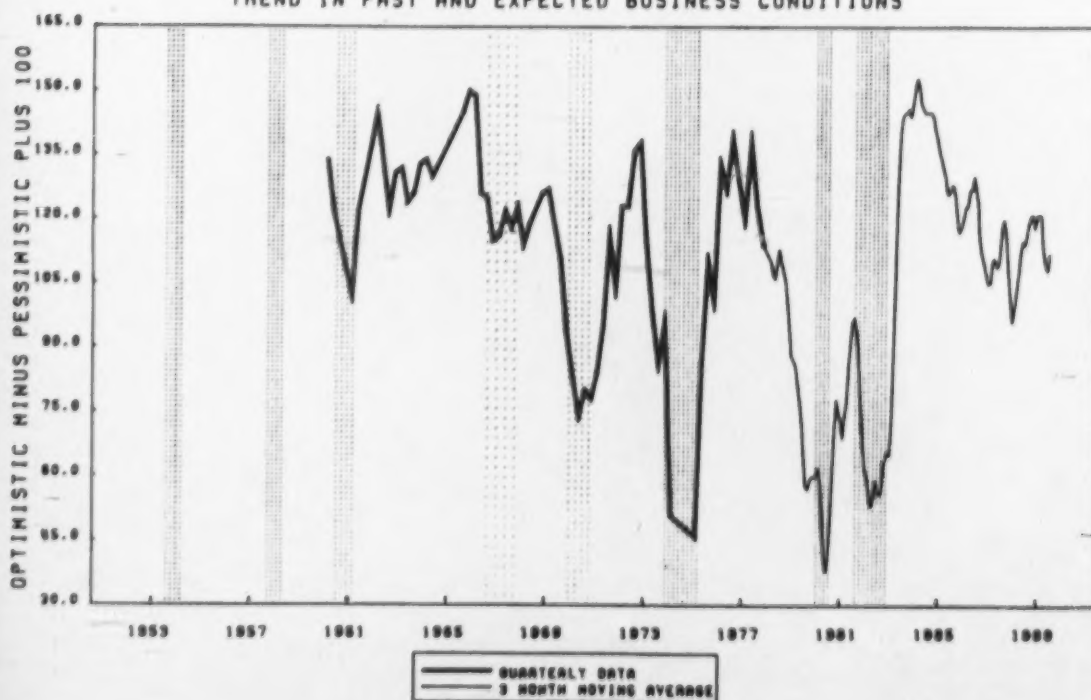


TABLE 14

TREND IN PAST AND EXPECTED CHANGES IN BUSINESS CONDITIONS

	July 1988	Aug. 1988	Sept 1988	Oct. 1988	Nov. 1988	Dec. 1988	Jan. 1989	Feb. 1989	Mar. 1989	Apr. 1989	May 1989	June 1989	July 1989
TREND:													
Continuous increase (a)	12%	18%	18%	15%	13%	10%	16%	18%	12%	14%	13%	15%	14%
Intermittant increase (b)	28	29	31	31	35	35	34	28	33	24	29	30	30
Remain unchanged (c)	9	11	11	13	10	12	11	13	16	13	12	12	16
Intermittant decline (d)	20	17	19	19	21	19	16	21	16	24	20	18	20
Continuous decline (e)	10	8	6	9	7	9	8	5	11	13	14	12	10
Mixed change (f)	12	8	9	7	10	10	9	10	9	8	7	6	4
DK, NA	9	9	6	6	4	5	6	5	3	4	5	7	6
TOTAL	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%
CASES	501	500	500	501	508	500	501	500	502	500	503	507	501

Combination of the responses to the questions on Tables 12 and 13.

- Key: (a) Better than a year ago/Better a year from now
 (b) Better/Same or Same/Better
 (c) Same/Same
 (d) Worse/Same or Same/Worse
 (e) Worse/Worse
 (f) Worse/Better or Better/Worse

CHART 15 - RECENT CHANGES
BUSINESS CONDITIONS EXPECTED DURING THE NEXT TWELVE MONTHS



CHART 15 - HISTORICAL SERIES
BUSINESS CONDITIONS EXPECTED DURING THE NEXT TWELVE MONTHS

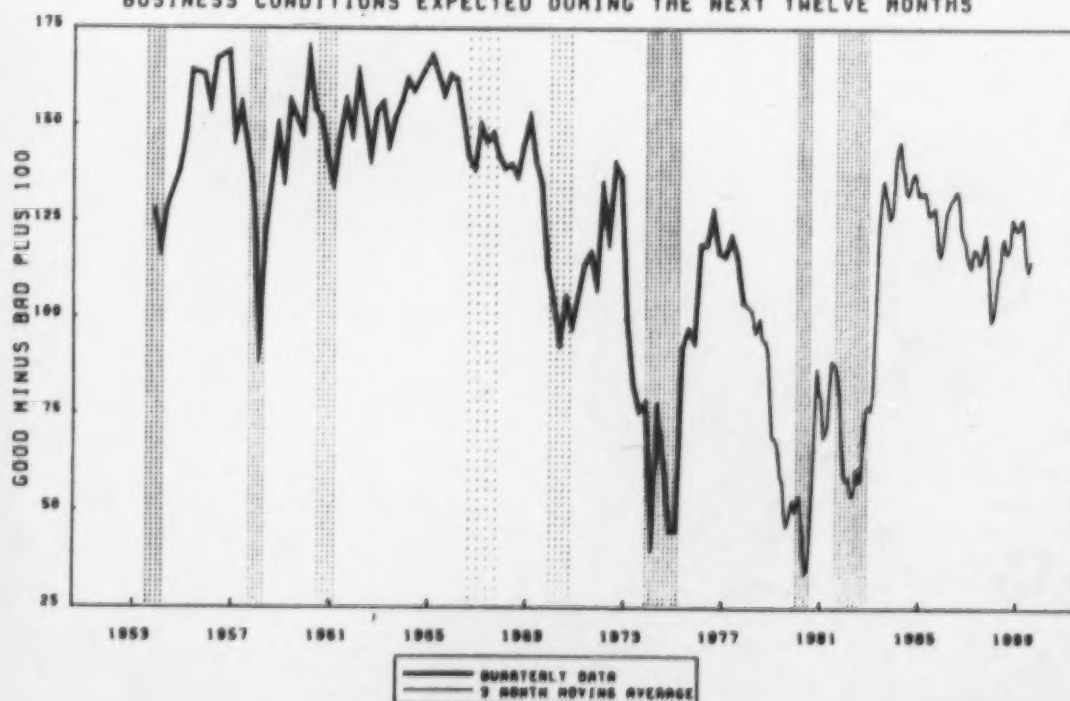


TABLE 15

BUSINESS CONDITIONS EXPECTED DURING THE NEXT 12 MONTHS

	July 1988	Aug. 1988	Sept 1988	Oct. 1988	Nov. 1988	Dec. 1988	Jan. 1989	Feb. 1989	Mar. 1989	Apr. 1989	May 1989	June 1989	July 1989
GOOD TIMES	44%	52%	53%	54%	53%	52%	56%	56%	55%	49%	46%	48%	53%
UNCERTAIN; GOOD & BAD	4	4	5	7	4	5	4	3	4	3	4	5	4
BAD TIMES	38	27	28	25	31	33	28	28	32	36	39	33	29
DON'T KNOW	9	11	9	8	7	5	7	9	5	6	6	9	7
NOT ASCERTAINED	5	6	5	6	5	5	5	4	4	6	5	5	7
TOTAL	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%
CASES	501	500	500	501	508	500	501	500	502	500	503	507	501

The question was: "Now turning to business conditions in the country as a whole--do you think that during the next 12 months we'll have good times financially, or bad times or what?"

CHART 16 - RECENT CHANGES
BUSINESS CONDITIONS EXPECTED FOR THE NEXT FIVE YEARS

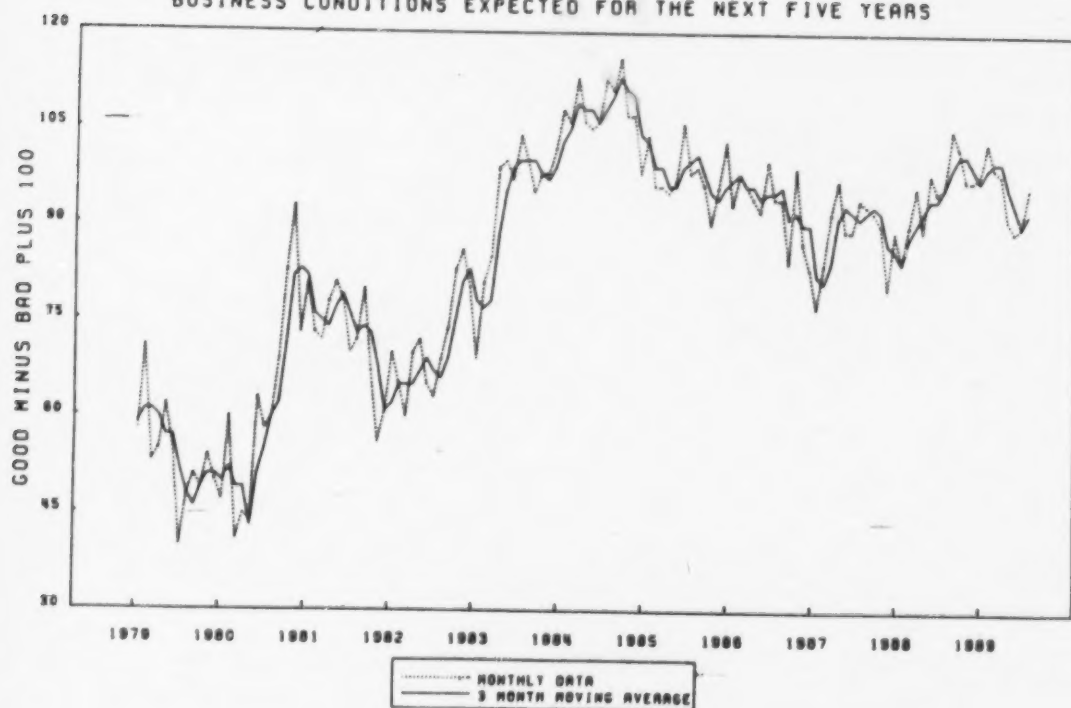


CHART 16 - HISTORICAL SERIES
BUSINESS CONDITIONS EXPECTED FOR THE NEXT FIVE YEARS

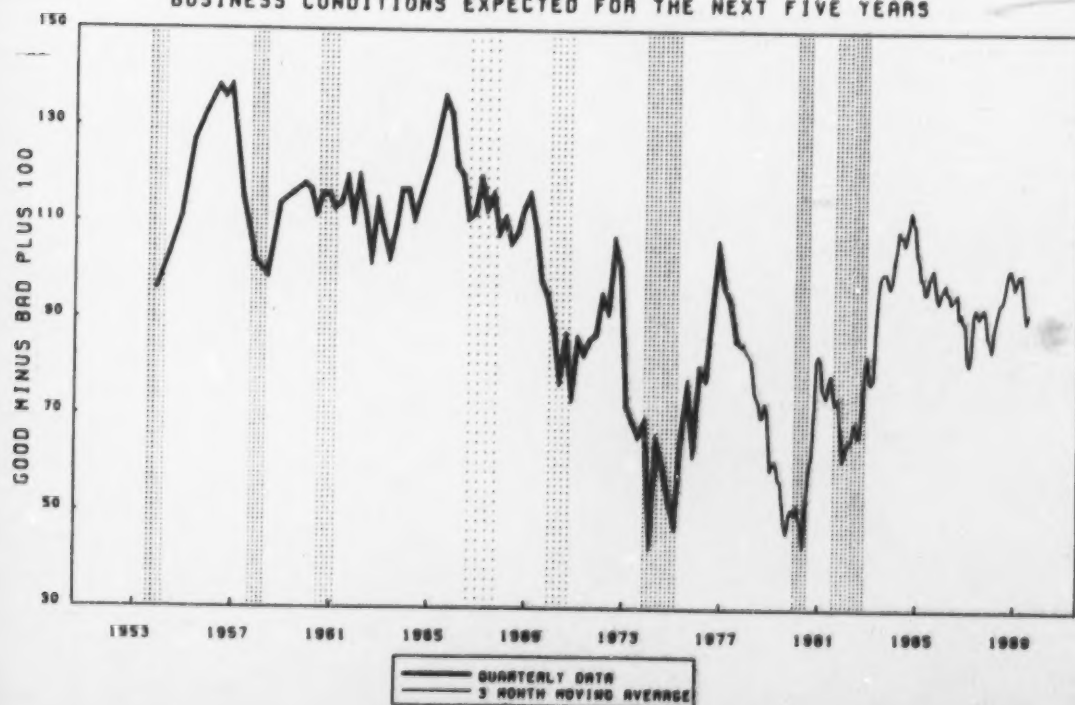


TABLE 16

BUSINESS CONDITIONS EXPECTED DURING THE NEXT FIVE YEARS

	July 1988	Aug. 1988	Sept 1988	Oct. 1988	Nov. 1988	Dec. 1988	Jan. 1989	Feb. 1989	Mar. 1989	Apr. 1989	May 1989	June 1989	July 1989
GOOD TIMES	39%	43%	41%	40%	40%	41%	45%	41%	40%	37%	36%	37%	39%
UNCERTAIN; GOOD & BAD	11	16	17	12	14	12	9	12	14	13	13	12	13
BAD TIMES	43	38	39	43	43	43	42	42	42	46	47	47	43
NOT ASCERTAINED	7	3	3	5	3	4	4	5	4	4	4	4	5
TOTAL	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%
CASES	501	500	500	501	508	500	501	500	502	500	503	507	501

The question was: "Looking ahead, which would you say is more likely--that in the country as a whole we'll have continuous good times during the next 5 years or so, or that we will have periods of widespread unemployment or depression, or what?"

CHART 17 - RECENT CHANGES
EXPECTED CHANGE IN UNEMPLOYMENT

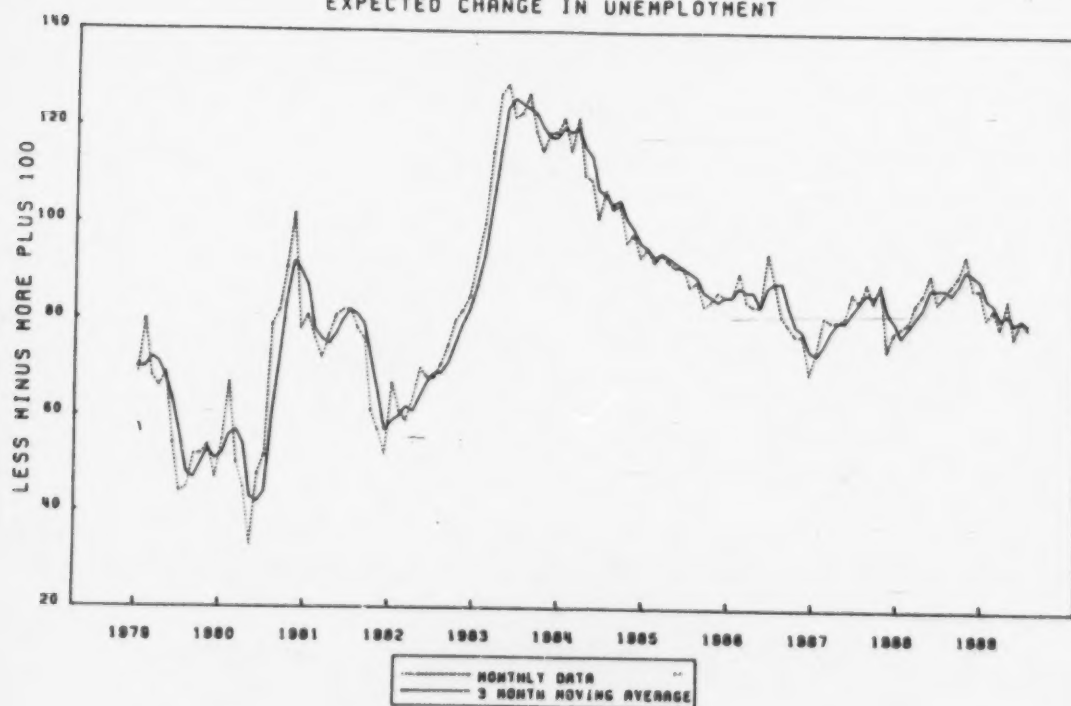


CHART 17 - HISTORICAL SERIES
EXPECTED CHANGE IN UNEMPLOYMENT

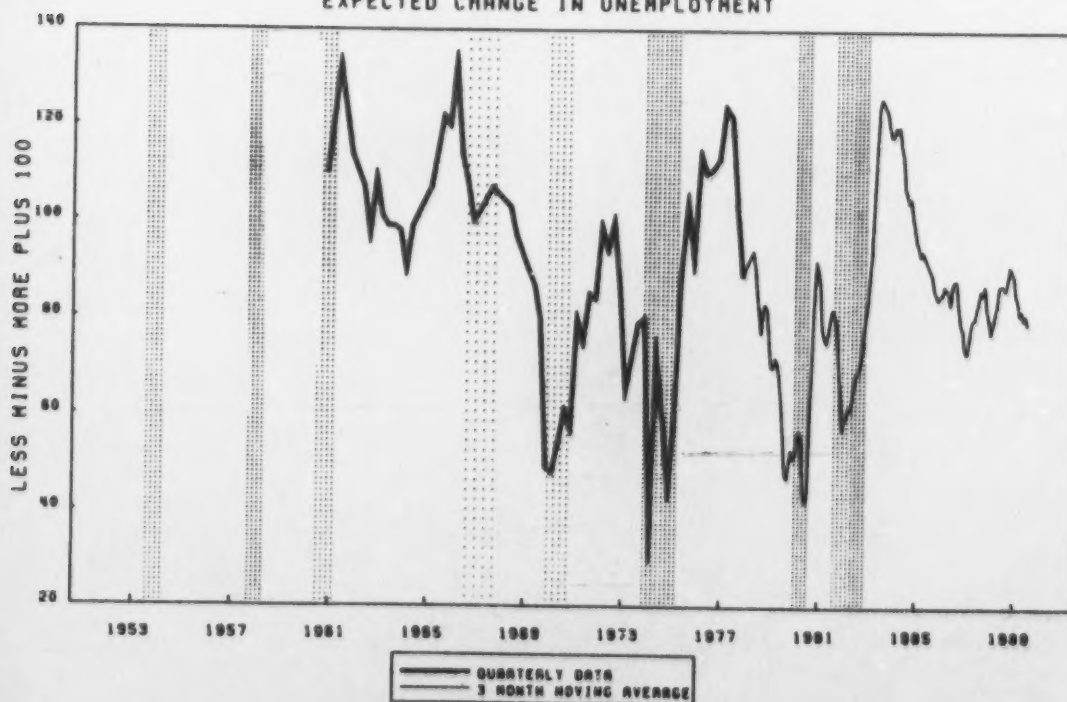


TABLE 17
EXPECTED CHANGE IN UNEMPLOYMENT

	July 1988	Aug. 1988	Sept 1988	Oct. 1988	Nov. 1988	Dec. 1988	Jan. 1989	Feb. 1989	Mar. 1989	Apr. 1989	May 1989	June 1989	July 1989
LESS	15%	15%	17%	16%	14%	15%	15%	13%	12%	14%	12%	10%	11%
SAME	54	53	52	60	57	55	50	55	53	55	52	59	57
MORE	29	27	27	22	27	28	34	30	33	29	35	29	31
DK,NA	2	5	4	2	2	2	1	2	2	2	1	2	1
TOTAL	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%
CASES	501	500	500	501	508	500	501	500	502	500	503	507	501

The question was: "How about people out of work during the coming 12 months--do you think that there will be more unemployment than now, about the same, or less?"

CHART 18 - RECENT CHANGES
EXPECTED CHANGE IN INTEREST RATES

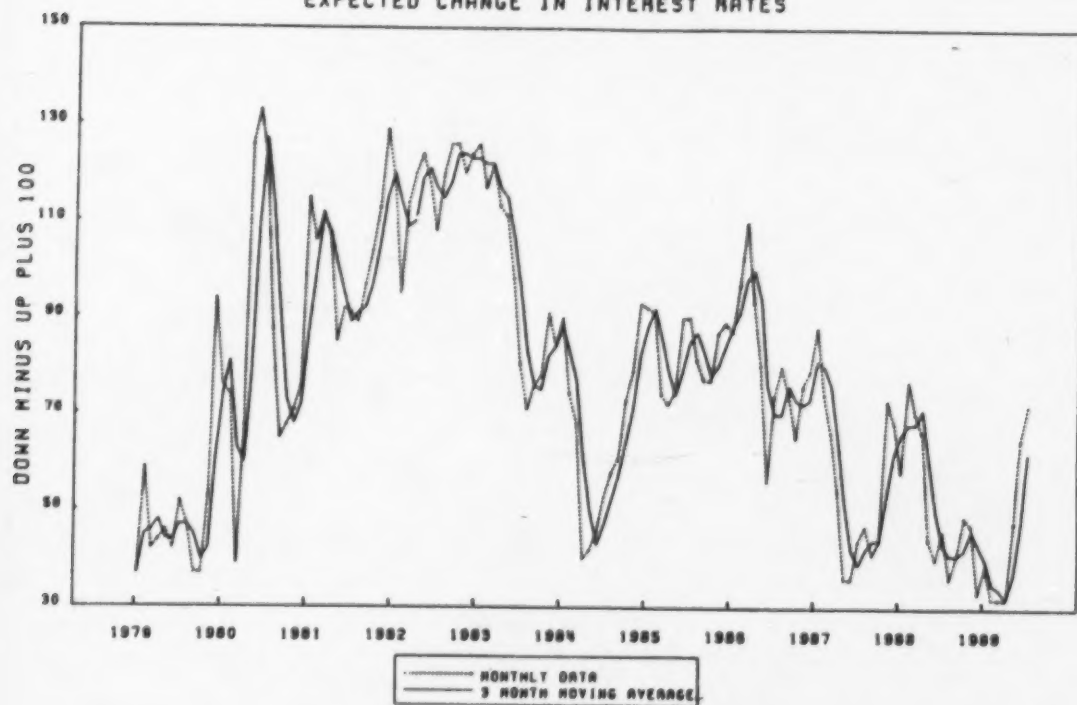


CHART 18 - HISTORICAL SERIES
EXPECTED CHANGE IN INTEREST RATES

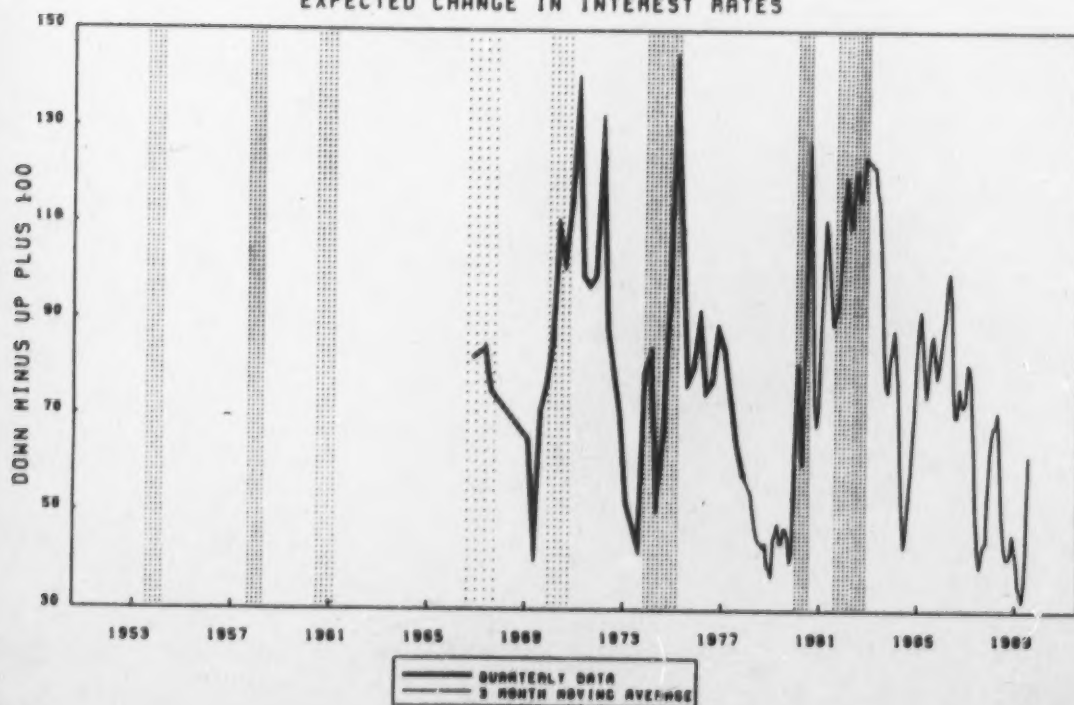


TABLE 18
EXPECTED CHANGE IN INTEREST RATES

	July 1988	Aug. 1988	Sept 1988	Oct. 1988	Nov. 1988	Dec. 1988	Jan. 1989	Feb. 1989	Mar. 1989	Apr. 1989	May 1989	June 1989	July 1989
GO UP	65%	71%	67%	62%	62%	74%	68%	75%	73%	75%	64%	54%	51%
STAY THE SAME	22	19	21	24	27	16	23	16	20	17	20	24	25
GO DOWN	11	7	8	11	9	7	7	7	5	7	12	19	23
DK,NA	2	3	4	3	2	3	2	2	2	1	4	3	1
TOTAL	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%
CASES	501	500	500	501	508	500	501	500	502	500	503	507	501

The question was: "No one can say for sure, but what do you think will happen to interest rates for borrowing money during the next 12 months--will they go up, stay the same, or go down?"

CHART 19 - RECENT CHANGES
MEAN EXPECTED PRICE INCREASE OVER THE NEXT 12 MONTHS



CHART 19 - HISTORICAL SERIES
MEAN EXPECTED PRICE INCREASE OVER THE NEXT 12 MONTHS

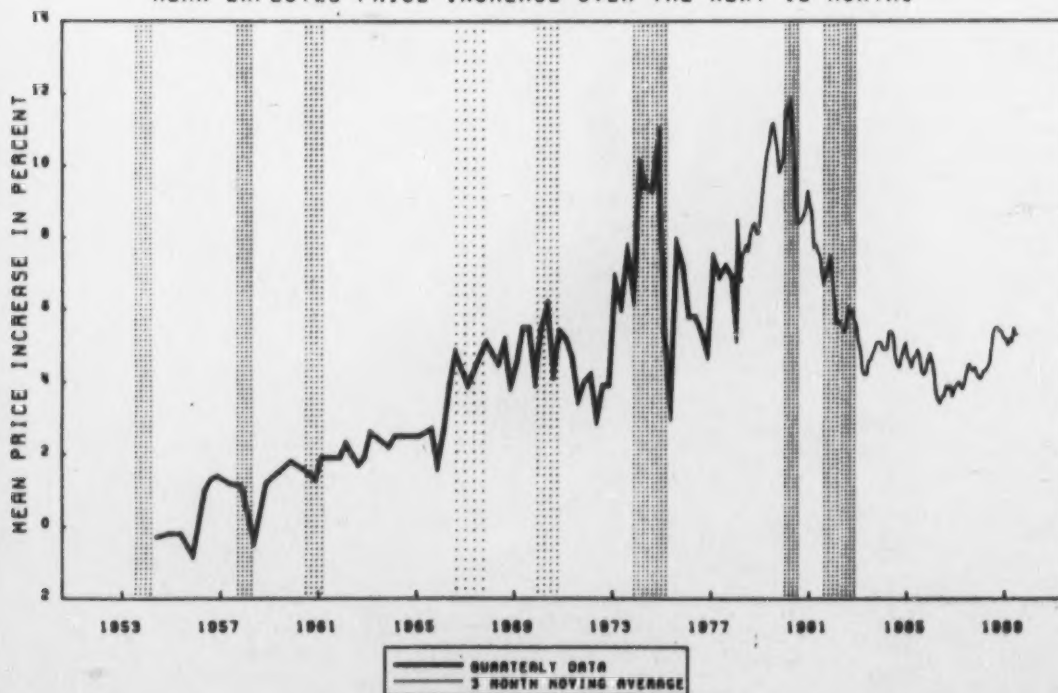


TABLE 19
EXPECTED CHANGE IN PRICES DURING THE NEXT 12 MONTHS

	July 1988	Aug. 1988	Sept 1988	Oct. 1988	Nov. 1988	Dec. 1988	Jan. 1989	Feb. 1989	Mar. 1989	Apr. 1989	May 1989	June 1989	July 1989
SAME OR DOWN	8%	8%	8%	9%	11%	10%	10%	11%	12%	8%	10%	10%	10%
WILL GO UP BY:													
1-2%	15	15	16	20	15	16	20	15	18	17	16	18	18
3-4%	23	23	25	21	28	26	23	24	23	23	19	24	21
5%	19	22	21	20	18	20	19	22	17	21	23	19	22
6-9%	12	9	10	8	8	8	9	10	9	10	9	9	9
10-14%	12	8	7	9	9	11	7	8	9	10	11	10	8
15% or more	6	6	6	5	5	4	6	4	7	5	7	5	5
DK how much up	5	8	6	6	5	4	5	5	4	6	4	5	6
DK, NA	*	1	1	2	1	1	1	1	1	*	1	*	1
TOTAL	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%
MEAN INCREASE	5.6	5.4	5.5	5.2	5.4	5.0	5.1	4.8	5.6	5.0	5.8	5.0	5.1
VARIANCE	37	38	52	40	55	32	41	29	64	24	49	34	39
CASES	501	500	500	501	508	500	501	500	502	500	503	507	501

The questions were: "During the next 12 months, do you think that prices in general will go up, or go down, or stay where they are now?" and "By about what percent do you expect prices to go up, on the average, during the next 12 months?"

* : Less than half of one percent.

CHART 20 - RECENT CHANGES
OPINIONS ABOUT THE GOVERNMENT'S ECONOMIC POLICY

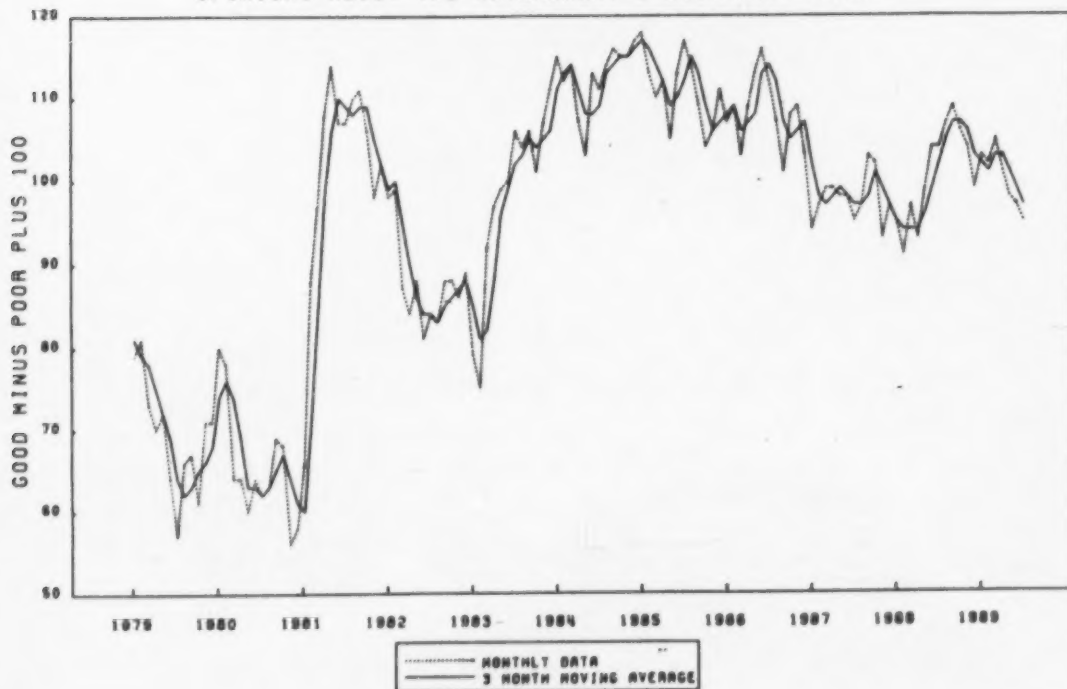


CHART 20 - HISTORICAL SERIES
OPINIONS ABOUT THE GOVERNMENT'S ECONOMIC POLICY

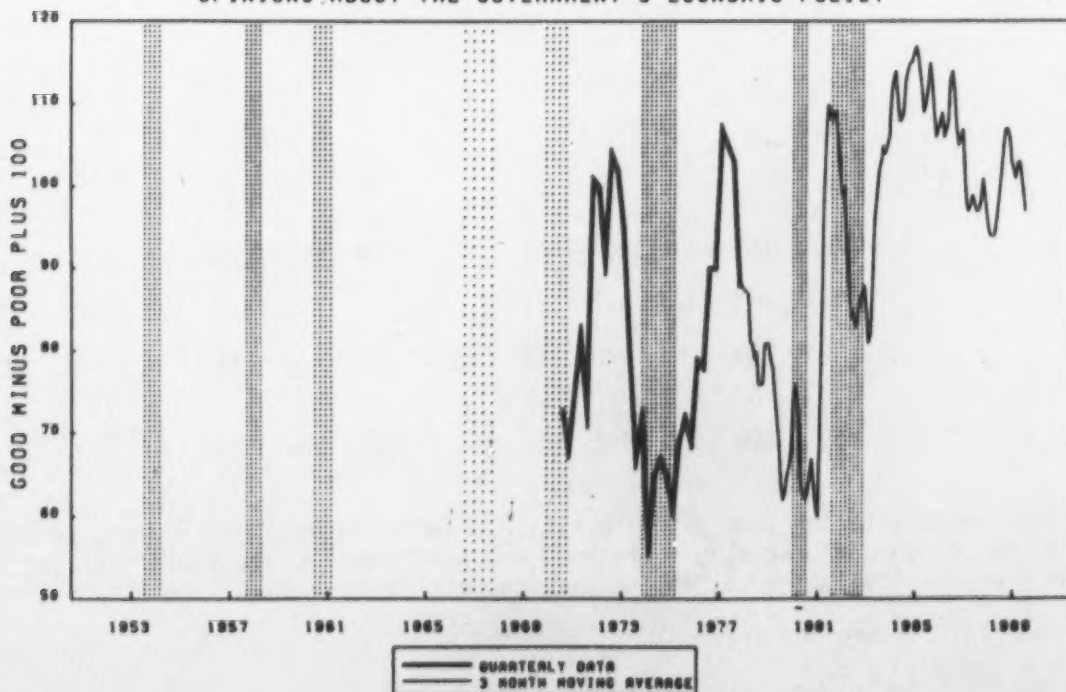


TABLE 20

OPINIONS ABOUT THE GOVERNMENT'S ECONOMIC POLICY

	July 1988	Aug. 1988	Sept 1988	Oct. 1988	Nov. 1988	Dec. 1988	Jan. 1989	Feb. 1989	Mar. 1989	Apr. 1989	May 1989	June 1989	July 1989
A GOOD JOB	25%	28%	29%	26%	27%	20%	27%	23%	25%	19%	19%	20%	18%
ONLY FAIR	51	48	49	51	49	57	48	51	52	59	57	55	56
A POOR JOB	21	21	20	20	23	21	24	21	20	18	21	23	23
DK,NA	3	3	2	3	1	2	1	5	3	4	3	2	3
TOTAL	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%
CASES	501	500	500	501	508	500	501	500	502	500	503	507	501

The question was: "As to the economic policy of the government--I mean steps taken to fight inflation or unemployment--would you say the government is doing a good job, only fair, or a poor job?"

CHART 21 - RECENT CHANGES
BUYING CONDITIONS FOR LARGE HOUSEHOLD GOODS

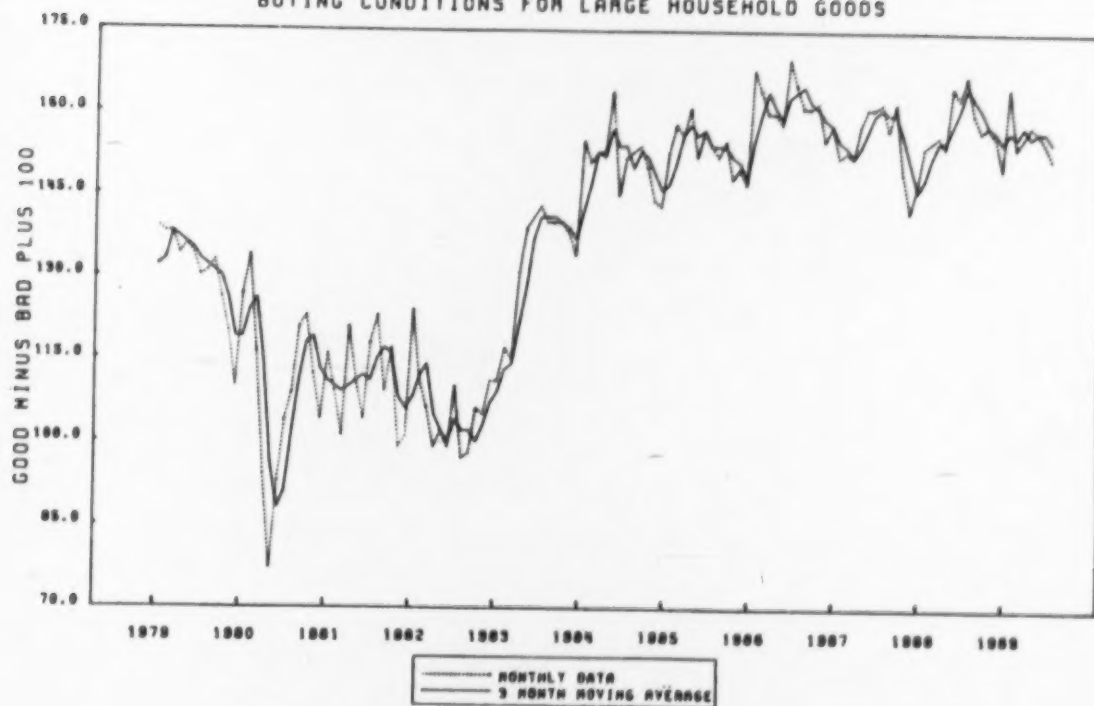


CHART 21 - HISTORICAL SERIES
BUYING CONDITIONS FOR LARGE HOUSEHOLD GOODS

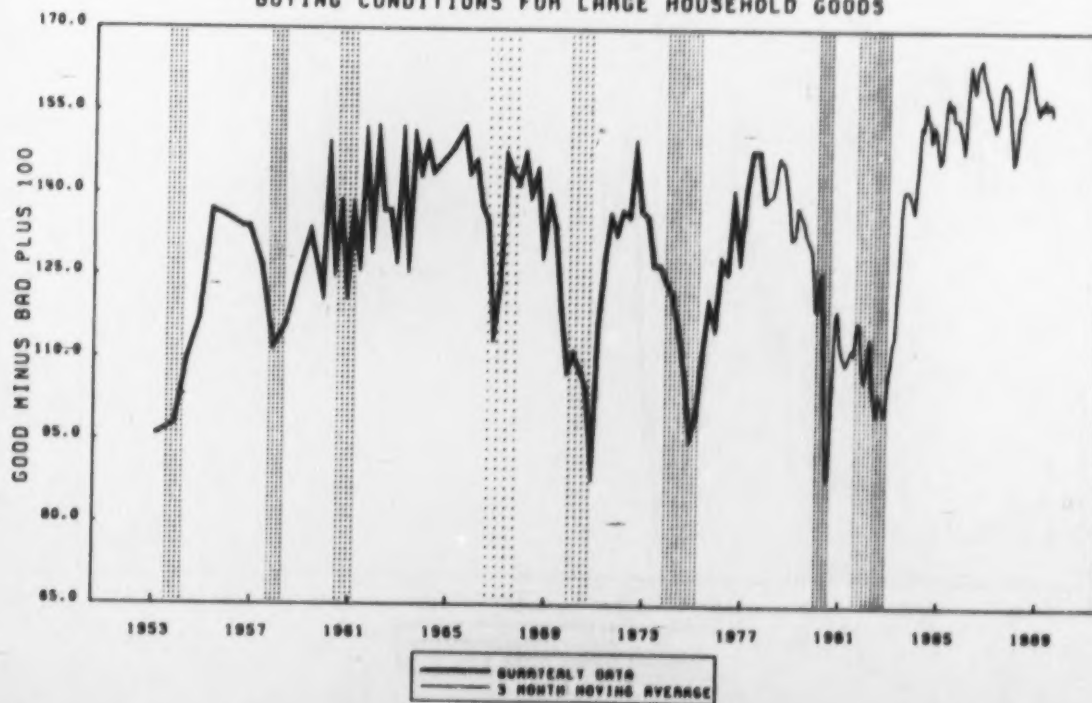


TABLE 21

BUYING CONDITIONS FOR LARGE HOUSEHOLD GOODS

	July 1988	Aug. 1988	Sept 1988	Oct. 1988	Nov. 1988	Dec. 1988	Jan. 1989	Feb. 1989	Mar. 1989	Apr. 1989	May 1989	June 1989	July 1989
GOOD TIME TO BUY	79%	74%	71%	73%	73%	70%	78%	71%	72%	75%	73%	71%	71%
UNCERTAIN, DEPENDS	9	12	15	12	10	10	9	12	12	8	11	13	10
BAD TIME TO BUY	12	14	14	15	17	20	13	17	16	17	16	16	19
TOTAL	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%
CASES	501	500	500	501	508	500	501	500	502	500	503	507	501

The question was: "About the big things people buy for their homes--such as furniture, a refrigerator, stove, television, and things like that. Generally speaking, do you think now is a good or a bad time for people to buy major household items?"

CHART 22A - HISTORICAL SERIES
REASONS FOR OPINIONS ABOUT BUYING CONDITIONS FOR DURABLES

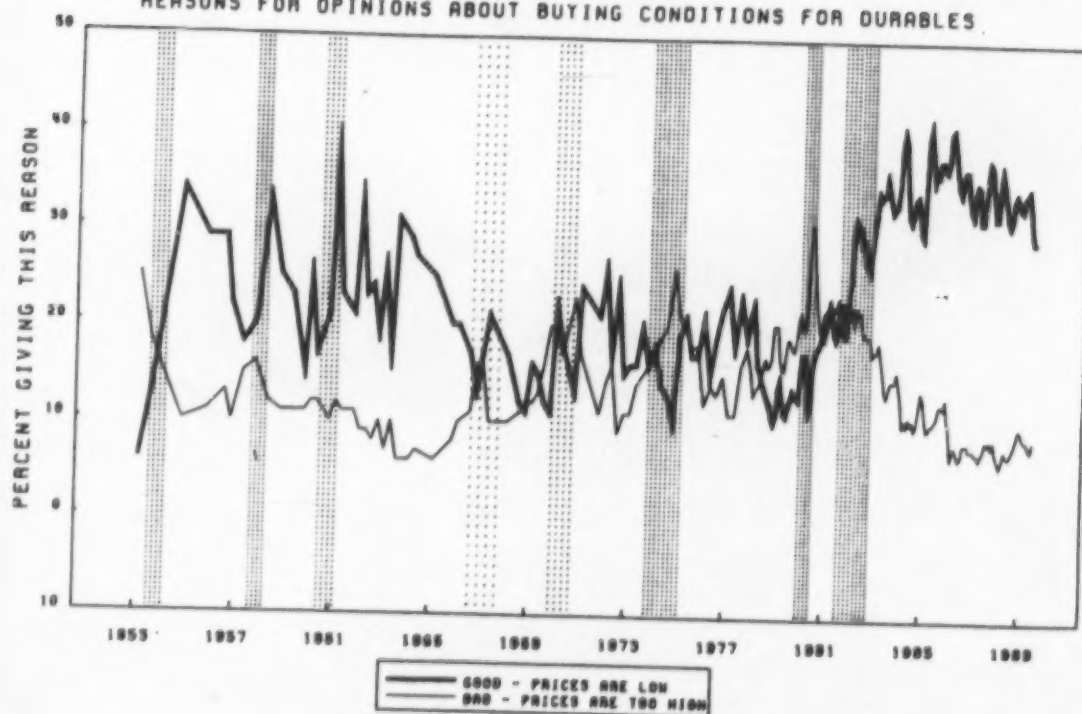


CHART 22B - HISTORICAL SERIES
REASONS FOR OPINIONS ABOUT BUYING CONDITIONS FOR DURABLES

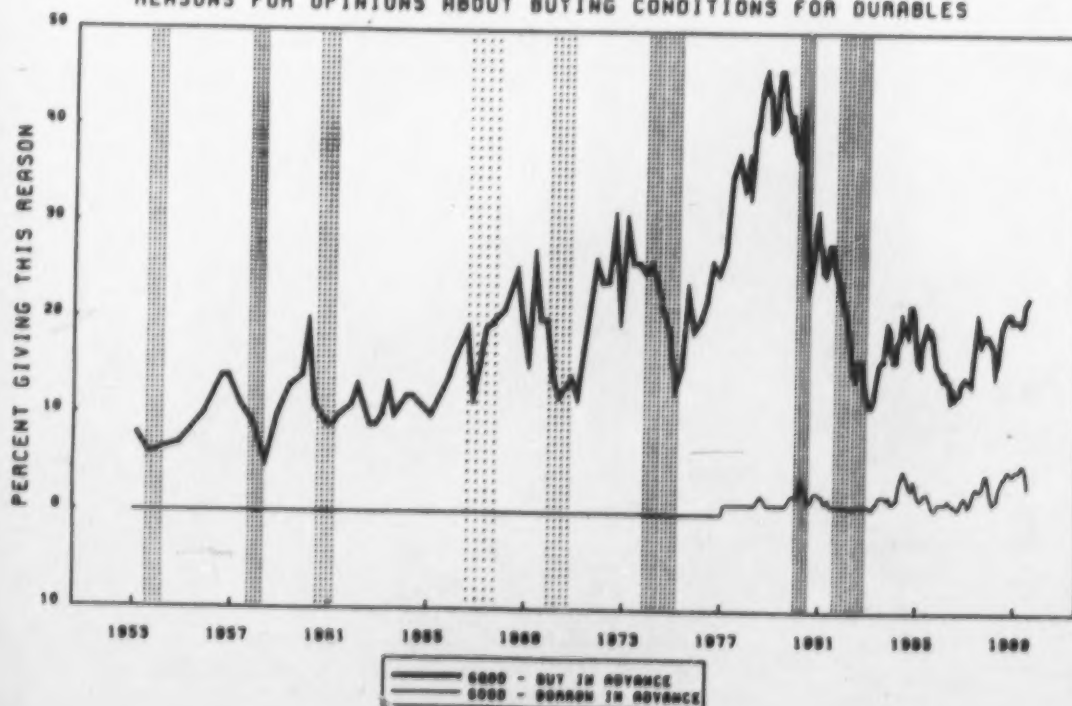


TABLE 22

SELECTED REASONS FOR OPINIONS ABOUT BUYING CONDITIONS FOR LARGE HOUSEHOLD GOODS +

	July 1988	Aug. 1988	Sept 1988	Oct. 1988	Nov. 1988	Dec. 1988	Jan. 1989	Feb. 1989	Mar. 1989	Apr. 1989	May 1989	June 1989	July 1989
GOOD TIME TO BUY:													
Prices are low; good buys available	34%	36%	33%	32%	34%	32%	36%	35%	33%	31%	27%	30%	31%
Prices won't come down; are going higher	21	21	21	21	19	21	21	19	20	22	24	21	23
Interest rates are low	7	7	7	7	8	4	5	4	6	4	5	5	7
Borrow-in-advance of rising interest rates	4	5	5	4	4	5	5	4	5	7	4	3	2
Times are good; prosperity	10	7	5	8	5	7	7	9	7	8	6	6	5
BAD TIME TO BUY:													
Prices are high	6	9	8	8	11	11	7	9	10	7	7	9	10
Interest rates are high; credit is tight	2	3	3	4	3	5	2	5	5	8	5	6	4
Times are bad; can't afford to buy	3	3	2	4	3	3	4	5	4	4	4	3	3
Bad times ahead; uncertain future	3	3	3	2	1	3	3	3	1	2	3	3	3

Responses to the query: "Why do you say so?" following the question on Table 21.
+ : May add to more than 100% due to multiple mentions.

CHART 22C - HISTORICAL SERIES
REASONS FOR OPINIONS ABOUT BUYING CONDITIONS FOR DURABLES

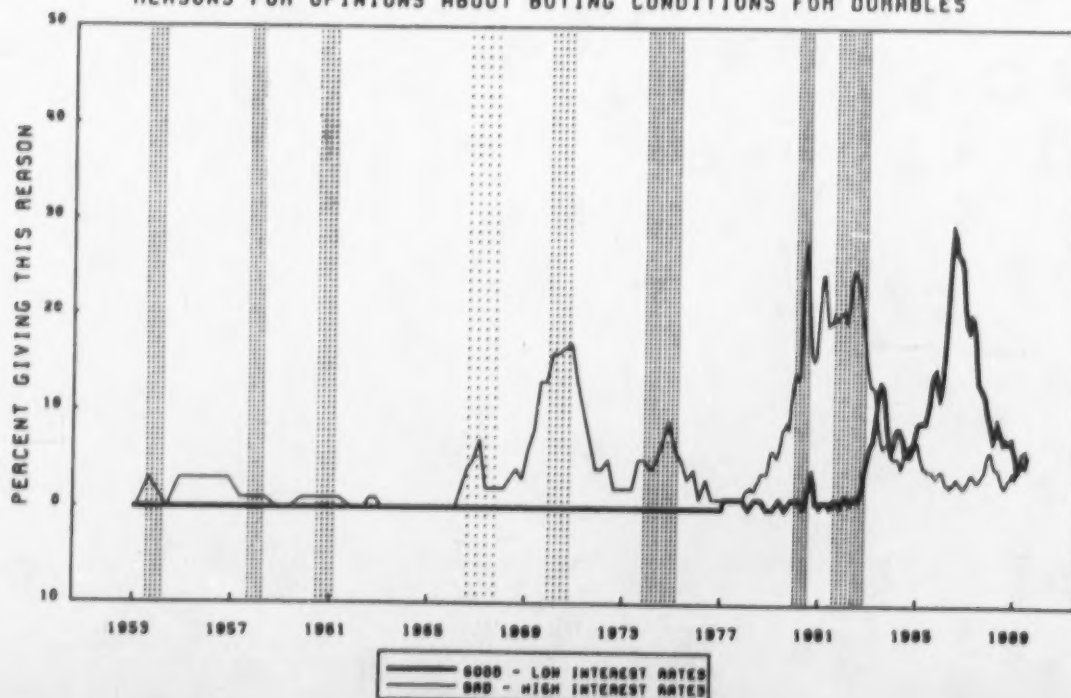


CHART 23 - RECENT CHANGES
BUYING CONDITIONS FOR HOUSES



CHART 23 - HISTORICAL SERIES
BUYING CONDITIONS FOR HOUSES

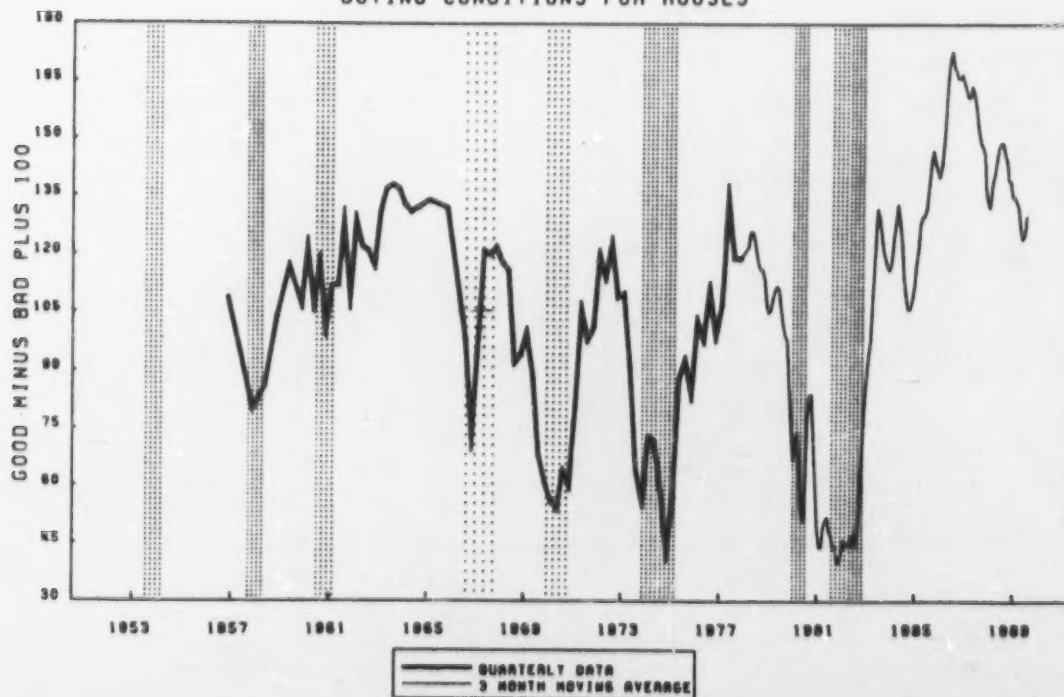


TABLE 23

BUYING CONDITIONS FOR HOUSES

	July 1988	Aug. 1988	Sept 1988	Oct. 1988	Nov. 1988	Dec. 1988	Jan. 1989	Feb. 1989	Mar. 1989	Apr. 1989	May 1989	June 1989	July 1989
GOOD TIME TO BUY	72%	67%	70%	64%	67%	63%	64%	64%	60%	58%	61%	61%	64%
UNCERTAIN, DEPENDS	4	6	5	5	4	7	6	8	5	4	6	5	6
BAD TIME TO BUY	24	27	25	31	29	30	30	28	35	38	33	34	30
TOTAL	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%
CASES	501	500	500	501	508	500	501	500	502	500	503	507	501

The question was: "Generally speaking, do you think now is a good time or a bad time to buy a house?"

CHART 24A - HISTORICAL SERIES
REASONS FOR OPINIONS ABOUT BUYING CONDITIONS FOR HOUSES

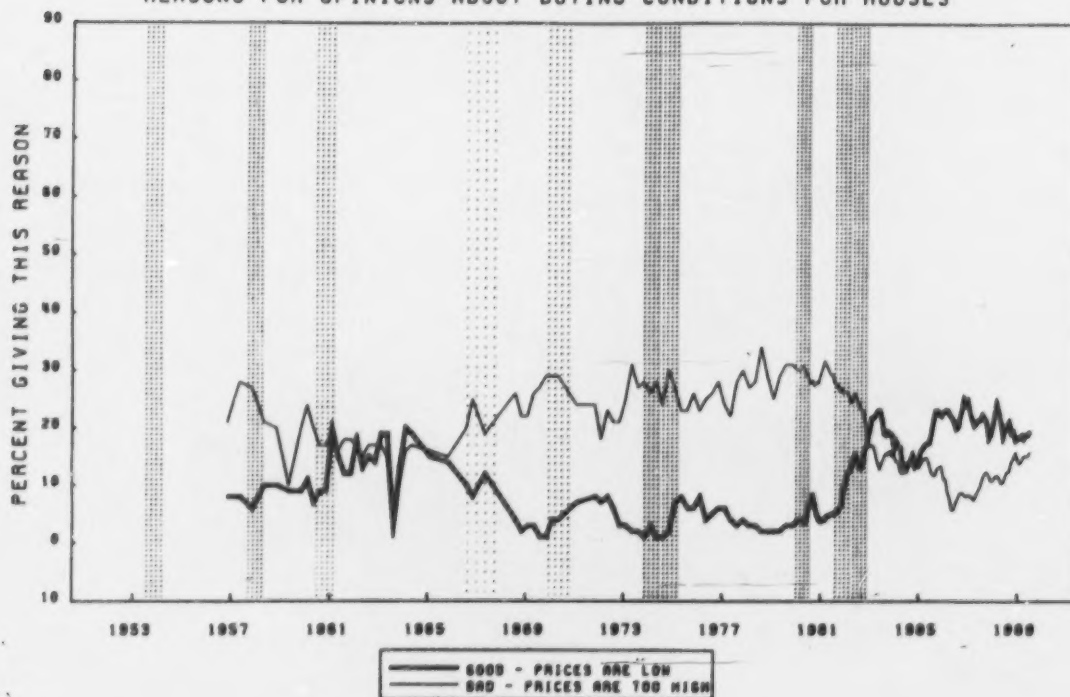


CHART 24B - HISTORICAL SERIES
REASONS FOR OPINIONS ABOUT BUYING CONDITIONS FOR HOUSES

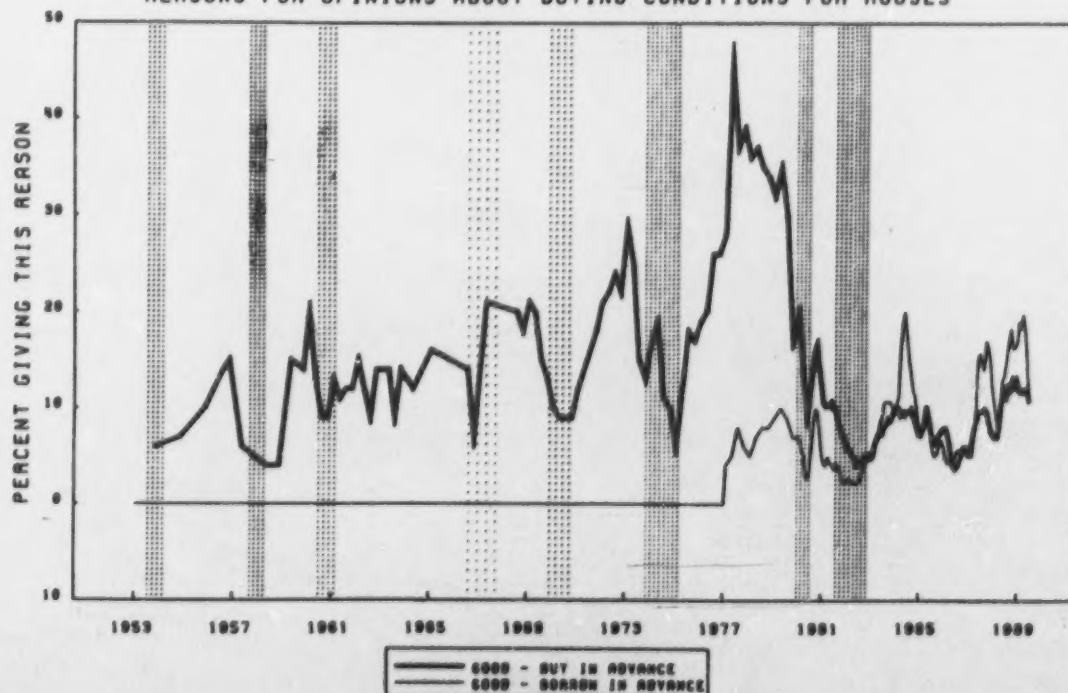


TABLE 24

SELECTED REASONS FOR OPINIONS ABOUT BUYING CONDITIONS FOR HOUSES +

	July 1988	Aug. 1988	Sept 1988	Oct. 1988	Nov. 1988	Dec. 1988	Jan. 1989	Feb. 1989	Mar. 1989	Apr. 1989	May 1989	June 1989	July 1989
--	--------------	--------------	--------------	--------------	--------------	--------------	--------------	--------------	--------------	--------------	-------------	--------------	--------------

GOOD TIME TO BUY:

Prices are low; good buys available	24%	18%	21%	18%	19%	16%	19%	20%	17%	17%	22%	17%	19%
Prices won't come down; are going higher	12	10	15	11	13	13	13	10	12	13	11	12	9
Interest rates are low	30	28	22	25	33	19	22	20	17	16	16	22	27
Borrow-in-advance of rising interest rates	11	19	21	15	13	21	16	20	19	20	15	11	8
Good investment	7	9	9	9	10	8	7	7	9	6	8	9	8
Times are good; prosperity	6	5	4	4	3	3	4	5	2	4	4	3	5

BAD TIME TO BUY:

Prices are high	13	13	11	18	15	14	14	13	16	16	13	16	18
Interest rates are high; credit is tight	11	14	14	16	12	18	16	12	24	28	25	23	15
Times are bad; can't afford to buy	4	4	4	5	6	3	5	6	7	7	6	5	6
Bad times ahead; uncertain future	2	3	2	3	3	5	4	3	3	4	3	2	2

Responses to the query: "Why do you say so?" following the question on Table 23.
+ : May add to more than 100% due to multiple mentions.

CHART 24C - HISTORICAL SERIES
REASONS FOR OPINIONS ABOUT BUYING CONDITIONS FOR HOUSES

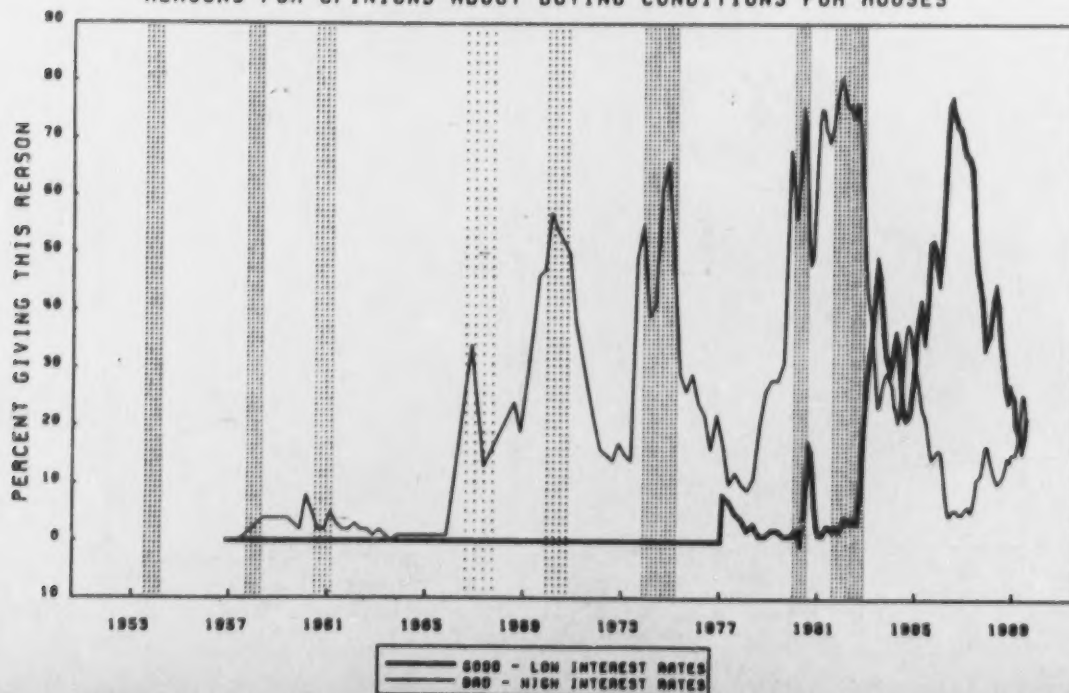


CHART 25 - RECENT CHANGES
BUYING CONDITIONS FOR CARS

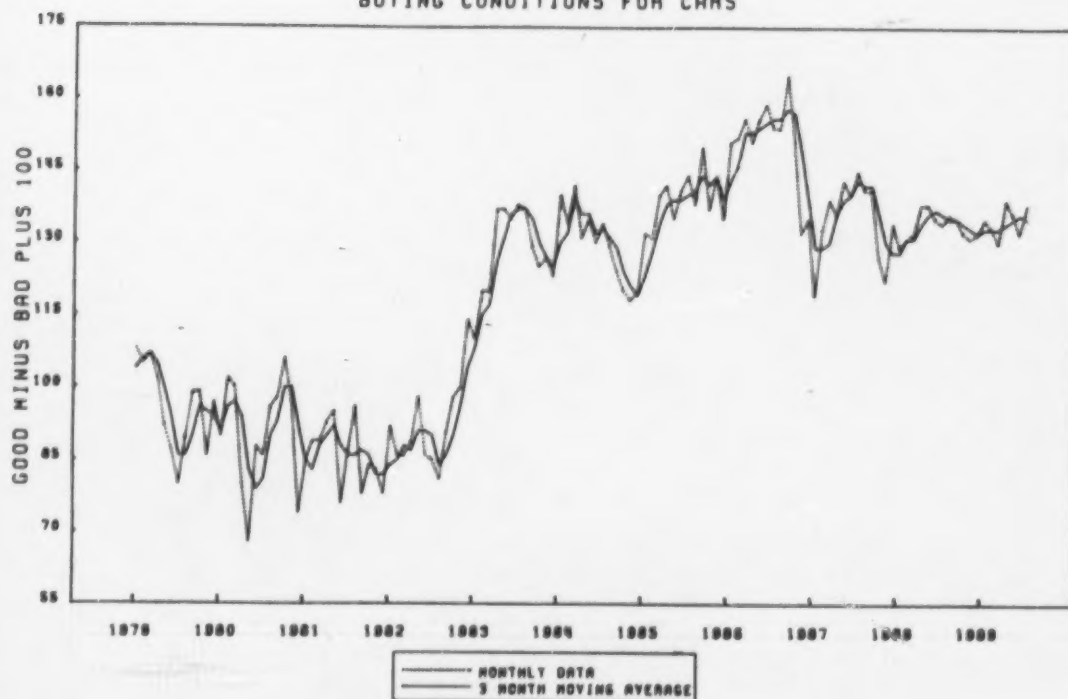


CHART 25 - HISTORICAL SERIES
BUYING CONDITIONS FOR CARS

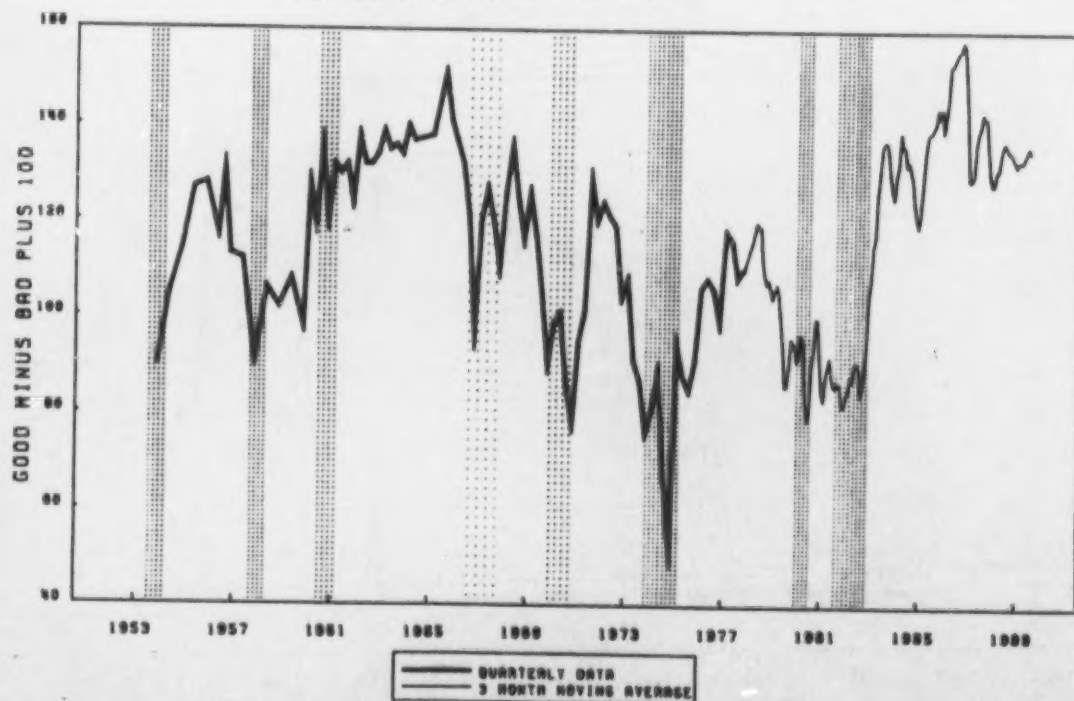


TABLE 25

BUYING CONDITIONS FOR CARS

	July 1988	Aug. 1988	Sept 1988	Oct. 1988	Nov. 1988	Dec. 1988	Jan. 1989	Feb. 1989	Mar. 1989	Apr. 1989	May 1989	June 1989	July 1989
GOOD TIME TO BUY	62%	62%	61%	60%	61%	61%	62%	61%	61%	65%	63%	61%	64%
UNCERTAIN; DEPENDS	10	12	13	12	9	10	11	11	8	9	10	10	10
BAD TIME TO BUY	28	26	26	28	30	29	27	28	31	26	27	29	26
TOTAL	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%
CASES	501	500	500	501	508	500	501	500	502	500	503	507	501

The question was: "Speaking now of the automobile market--do you think the next 12 months or so will be a good time or a bad time to buy a car?"

CHART 26A - HISTORICAL SERIES
REASONS FOR OPINIONS ABOUT BUYING CONDITIONS FOR CARS

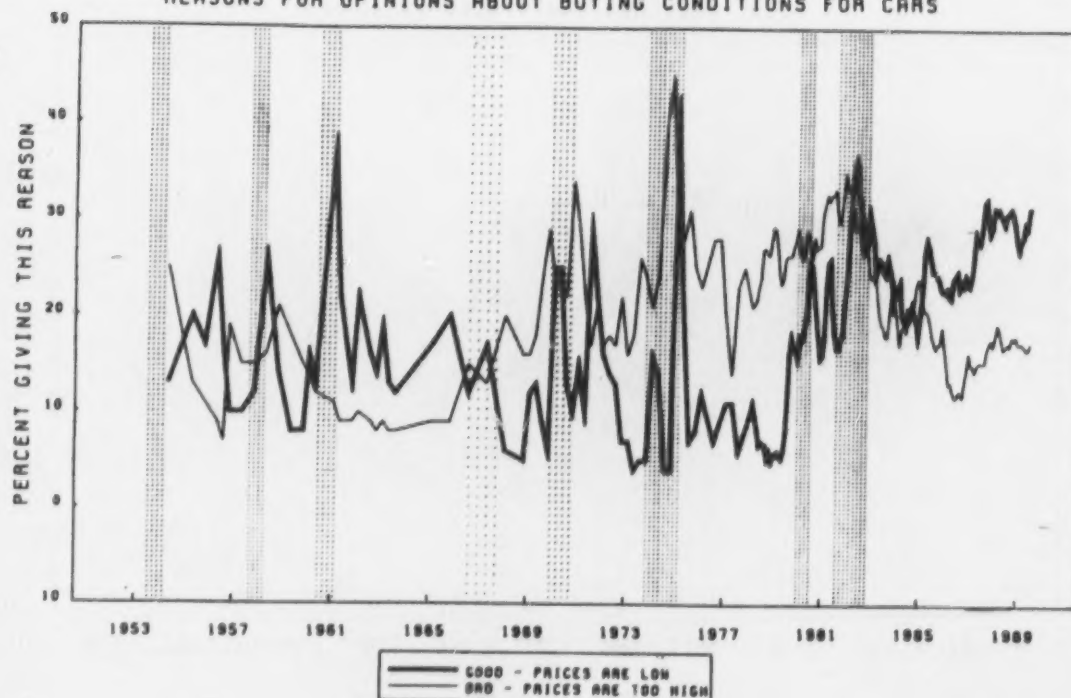


CHART 26B - HISTORICAL SERIES
REASONS FOR OPINIONS ABOUT BUYING CONDITIONS FOR CARS

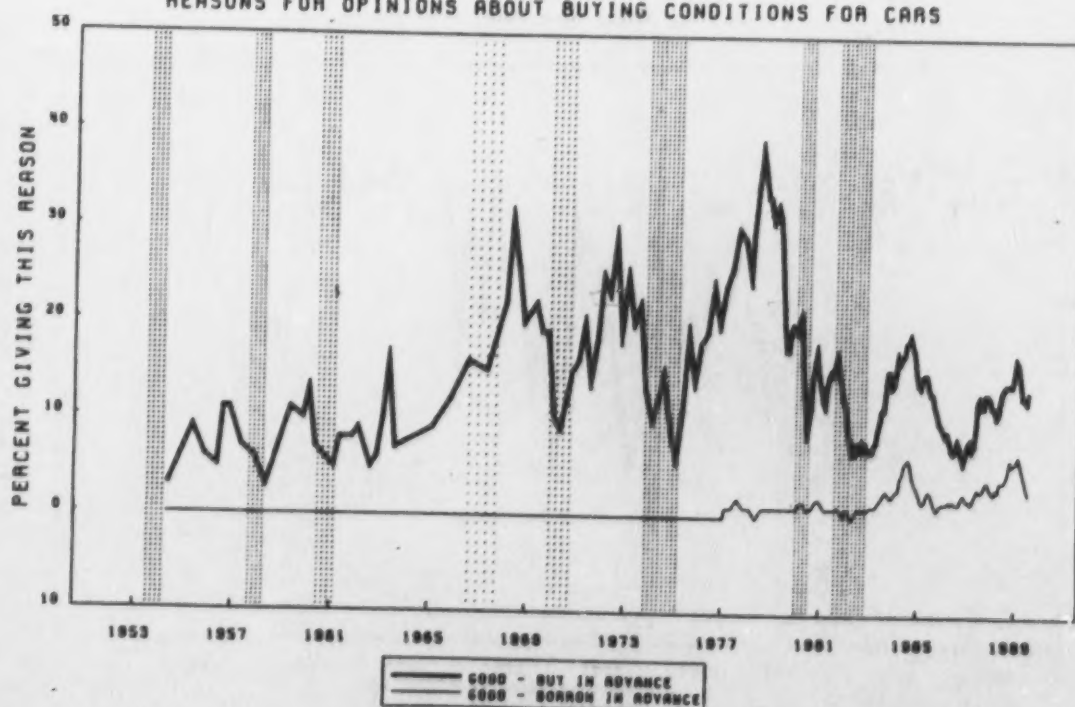


TABLE 26

SELECTED REASONS FOR OPINIONS ABOUT BUYING CONDITIONS FOR CARS +

	July 1988	Aug. 1988	Sept 1988	Oct. 1988	Nov. 1988	Dec. 1988	Jan. 1989	Feb. 1989	Mar. 1989	Apr. 1989	May 1989	June 1989	July 1989
GOOD TIME TO BUY:													
Prices are low; good buys available	33%	30%	31%	31%	27%	26%	28%	30%	27%	32%	29%	33%	32%
Prices won't come down; are going higher	13	15	14	13	15	17	18	14	12	12	14	11	15
Interest rates are low	14	16	14	12	14	11	11	15	15	25	23	21	19
Borrow-in-advance of rising interest rates	3	6	6	7	4	7	7	6	5	4	4	2	2
Times are good; prosperity	5	4	4	4	4	4	5	4	3	3	3	2	3
BAD TIME TO BUY:													
Prices are high	16	18	17	19	17	18	17	17	18	16	16	18	18
Interest rates are high; credit is tight	6	6	9	8	7	9	7	6	13	9	6	7	4
Times are bad; can't afford to buy	3	4	2	3	2	4	2	4	2	3	4	3	2
Bad times ahead; uncertain future	2	2	2	1	2	3	1	1	2	3	2	1	1
Poor selection; quality	3	2	3	5	3	2	4	3	3	2	3	2	3

Responses to the query: "Why do you say so?" following the question on Table 25.

+ May add to more than 100% due to multiple mentions.

* Less than half of one percent.

CHART 26C - HISTORICAL SERIES
REASONS FOR OPINIONS ABOUT BUYING CONDITIONS FOR CARS

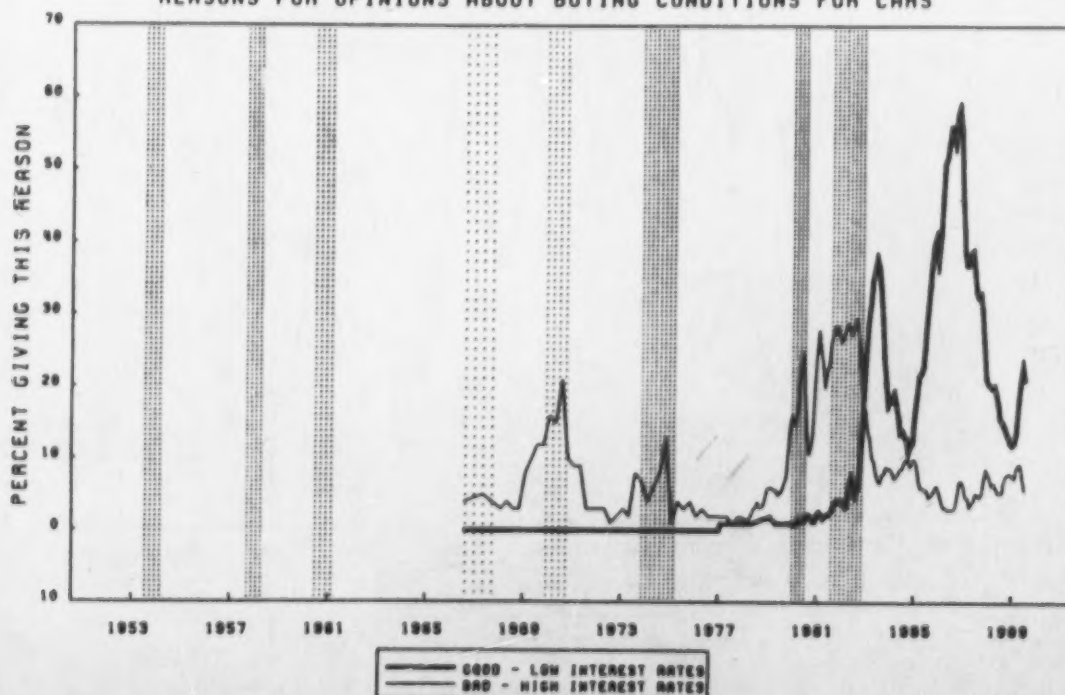
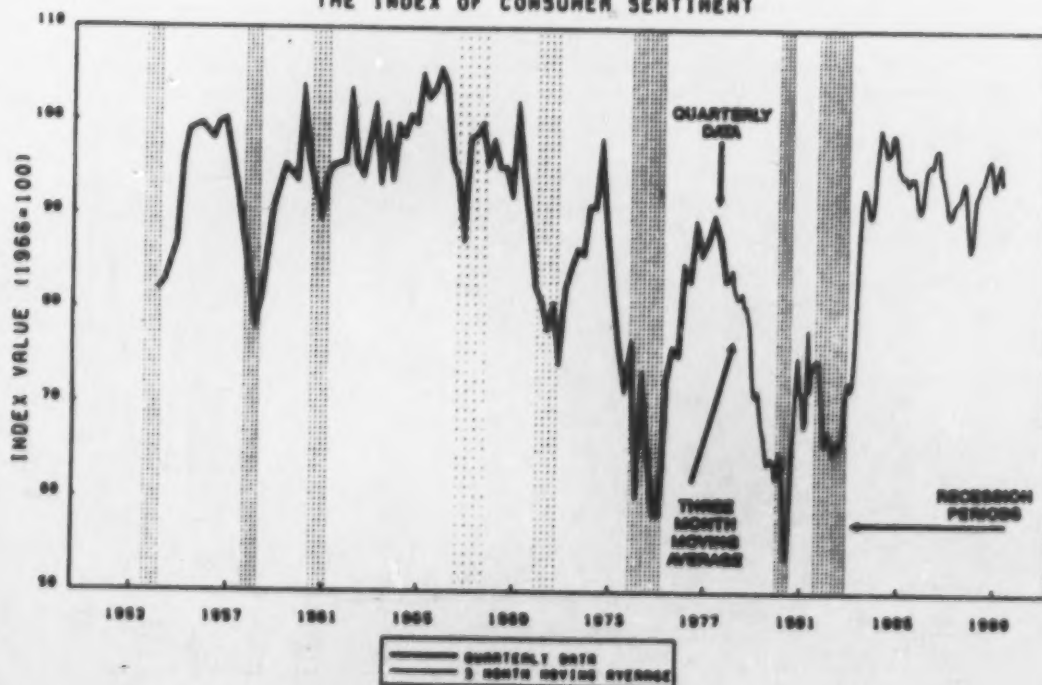


CHART 1 - RECENT CHANGES
THE INDEX OF CONSUMER SENTIMENT



CHART 1 - HISTORICAL SERIES
THE INDEX OF CONSUMER SENTIMENT



DESCRIPTION OF CHARTS

DATA POINTS

QUARTERLY DATA: Data collected by surveys conducted at three month intervals before 1978.

MONTHLY DATA: Data collected by surveys conducted each month since January of 1978.

THREE-MONTH MOVING AVERAGE: Each point plotted represents the average of the three monthly observations ending at the date plotted.

TIME SCALE

Each tic mark on the time scale represents the month of January for the indicated year.

RECESSION PERIODS

November	1948 - October	1949
July	1953 - May	1954
August	1957 - April	1958
April	1960 - February	1961
June	1966 - November	1967*
December	1969 - November	1970
November	1973 - March	1975
January	1980 - July	1980
July	1981 - November	1982

Recession dates are determined by the National Bureau of Economic Research.

RECESSION PERIOD: Reduction in the national output of goods and services, generally lasting at least two quarters

***GROWTH RECESSION:** Retardation in the rate of growth of output and employment (usually followed by a recession and always the initial stage of a recession).

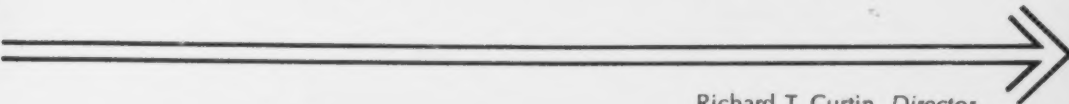
RECOMMENDED ALLOWANCE FOR SAMPLING ERROR OF A PERCENTAGE
(Sampling Error Allowance in Percentage Points¹)

For Estimated Percentage Near	Number of Interviews											
	100	200	300	400	500	750	1000	1250	1500	2000	2500	3000
1% or 99%	2.2	1.6	1.3	1.1	1.0	0.8	0.7	0.6	0.6	0.5	0.4	0.4
5% or 95%	4.9	3.5	2.8	2.4	2.2	1.8	1.5	1.4	1.3	1.1	1.0	0.9
10% or 90%	6.7	4.8	3.9	3.4	3.0	2.4	2.1	1.9	1.7	1.5	1.3	1.2
20% or 80%	9.0	6.3	5.2	4.5	4.0	3.3	2.8	2.5	2.3	2.0	1.8	1.6
30% or 70%	10.3	7.3	5.9	5.1	4.6	3.7	3.2	2.9	2.6	2.3	2.0	1.9
40% or 60%	11.0	7.8	6.3	5.5	4.9	4.0	3.5	3.1	2.8	2.4	2.2	2.0
50%	11.2	7.9	6.5	5.6	5.0	4.1	3.5	3.2	2.9	2.5	2.2	2.0

¹The figures in this table represent two standard errors. Hence, the chances are 95 in 100 that the true percentage lies within a range equal to the observed percentage, plus or minus the sampling error.



Surveys of Consumers



Richard T. Curtin, *Director*

Consumer Confidence Slips Amid Shifting Cross-Currents

Small Overall Decline In Sentiment Index

The Index of Consumer Sentiment was 89.6 in the August 1989 survey, down from 92.0 one month earlier and 97.4 one year earlier. Although only marginally below the 90.6 recorded in June 1989, the August reading was the lowest recorded since late 1987.

The entire loss recorded in August was concentrated in consumer's views on prospects for the national economy. In contrast, personal financial prospects and attitudes toward buying conditions for household durables improved slightly. Moreover, consumers' assessments of prospects for economic conditions showed significant divergences: although their overall assessments of business conditions weakened, inflation and interest rate expectations improved. At present, the small overall decline in consumer confidence may simply reflect changing cross-currents in the economy rather than an emerging downward trend.

Among families with incomes of \$40,000 or more, the index fell to 93.1 in the August 1989 survey, from 101.9 in July and 104.2 in August 1988. The sharp August decline in sentiment among high income families reversed the equally sharp improvement recorded in July. Although only marginally below the 95.4 recorded in May, the index among high income families in August was the lowest recorded in more than a year.

Leading Indicator Falls

The Index of Consumer Expectations fell to 80.3 in the August 1989 survey, down from 85.5 one month earlier, but remained just above the 80.1 recorded three months earlier. The decline was due to weakening prospects for the economy.

Prospects for Economy Weaken

Fewer families thought that business conditions had improved during the past year, and more families expected the same sluggish performance of the economy to continue during the year ahead. Among all families, the proportion that thought that conditions in the national economy had improved fell to 42 percent in the August 1989 survey, down from 51 percent recorded in August 1988. Sixty percent of all families in the August survey expected that the performance of the national economy would remain unchanged, up from 54 percent in August 1988.

Good times financially in the economy as a whole were expected by 46 percent of all families in the August 1989 survey, reversing the month earlier gain to 53 percent, and returning to the level recorded three months earlier.

Over the longer term, just 33 percent of all families expected good times financially in the economy as a whole, down from 39 percent in July. The August reading on long term prospects for the economy was the least favorable recorded since

the end of 1987. At present, more families expected a recessionary downturn sometime during the next five years than expected the economy to continue to expand by the margin of 45 to 33 percent.

Prospects for the domestic unemployment rate were less favorable in August 1989 than since the end of 1987. Among all families in the August survey, 35 percent expected the national unemployment rate to increase during the year ahead, compared with just 10 percent that expected further declines. Importantly, the majority of families still expected the unemployment rate to remain largely unchanged during the year ahead both in the August 1989 survey (54 percent) and the August 1988 survey (53 percent).

Inflation Expectations Decline

Consumers expected the annual inflation rate for the year ahead to average 4.7% in the August 1989 survey, down from 5.1% one month earlier and 5.4% one year earlier. At 4.7%, the expected inflation rate was the lowest recorded since the start of 1988.

Interest rate expectations posted a small further improvement in the August survey, with the proportion that expected increases during the year ahead falling to 49 percent in August, from 51 percent in July and the Spring peak of 75 percent. The proportion that expected declines in interest rates rose to 24 percent in August.

Home Buying Stimulated By Declines in Mortgage Rates

Favorable attitudes toward buying conditions for homes were held by 64 percent of all families in the August 1989 survey. Although this proportion was unchanged from the July reading, the August level is up from the April low of 58 percent. Overall, current attitudes toward home buying are still somewhat below the year earlier reading, when 67 percent held favorable buying attitudes.

Since April, when assessments of interest rate trends were quite unfavorable, the proportion of families that mentioned the availability of low mortgage interest rates has risen from 16 to 28 percent, while complaints about high interest rates fell to 15 from 28 percent.

Perception of home prices improved in the August survey, with the proportion of families that mentioned the availability of good buys on homes rising from 19 to 23 percent in July (the highest recorded during the past year). Complaints about high home prices, however, remained at an elevated level, mentioned by 18 percent of all families in August, unchanged from July and above the 13 percent recorded in August 1988.

Car Buying Attitudes: Higher Prices Offset Discounts

Throughout the past year, the proportion of families holding favorable car buying attitudes has remained in a very narrow range (from 60 to 65 percent), showing no overall trend. In the August 1989 survey, favorable attitudes toward buying conditions for cars were held by 61 percent of all families, just below the 64 percent recorded one month earlier and the 62 percent recorded one year earlier.

These largely unchanged buying attitudes, however, have resulted from offsetting trends. The proportion of consumers that mentioned the availability of discounts and rebates as well as the proportion that registered complaints about high vehicle prices have both increased. Indeed, the recognition of both the availability of price discounts and increases in sticker prices reached very high levels in the recent survey.

The proportion that mentioned the availability of price discounts and rebates rose to 35 percent in the August 1989 survey, the highest proportion recorded in two years, and just three percentage points lower than the all-time peak (in only six surveys during the last three decades was a higher

proportion recorded than in August).

At the same time, the proportion of families that complained about high car prices rose to 22 percent in August, the highest proportion recorded since 1984. To be sure, the current level of complaints about high car prices is still well below the record high levels recorded in the late 1970s and early 1980s when "sticker shock" was the common reaction of consumers.

While the increase in both favorable and unfavorable references has kept overall car buying attitudes largely unchanged during the past year, they have remained unchanged at relatively favorable levels. These buying attitudes have been kept at favorable levels because consumers still hold a favorable balance of opinion about car prices (35 percent positive versus 22 percent negative).

These results point to the changing role of discount programs in consumer assessments of buying conditions. Not only have consumers come to expect the continued availability of discounts, but now consumers more often view discounts as simply an offset to increases in sticker prices. (Discount programs offered at the end of the model year have relatively greater impact since consumers expect these discounts to be larger and can avoid new model price increases.)

These developments have diminished the usefulness of discount programs to stimulate sales as well as made the mere maintenance of sales more dependent on their continued availability. Moreover, the more traditional use of discounts has been in times of recessionary downturns, whereas the recent increased dependence on discounts has been developed during relatively good times. These changes suggest that when needed during the next downturn, discount programs will need significant enhancements so as to regain their effectiveness.

Household Durables

Favorable attitudes toward buying conditions for

furniture, appliances, and home electronic goods were held by 73 percent of all families in the August 1989 survey, between the 71 percent recorded one month earlier and the 74 percent recorded one year earlier. Consumers continue to base these favorable buying attitudes on the availability of price discounts, reported by 35 percent in August.

Personal Finances Maintained At Favorable Levels

Forty-one percent of all families in the August 1989 survey reported that their financial situation had improved during the past year, unchanged from the July reading. Although the 41 percent that reported improved finances in the August 1989 survey is significantly below the 50 percent recorded a year earlier, the 50 percent was the highest reading recorded in more than twenty years.

When asked to explain how their financial situation had changed during the past year, 34 percent mentioned income increases, although slightly above the 31-32 percent recorded in each of the last three months, it was substantially below the 45 percent recorded at the year earlier peak.

The proportion of families that expected their financial situation to improve during the year ahead rose to 37 percent in the August 1989 survey from 35 percent one month earlier and 36 percent one year earlier. As has been true for more than a year, nearly half of all families expected their financial situation to remain the same, considering changes in both incomes and prices (49 percent in August 1989). Just one-in-ten families expected that their financial situation would worsen during the year ahead.

* * *

The August 1989 survey included 502 completed interviews conducted between August 1 and August 28, 1989.

SURVEYS OF CONSUMERS



Institute for Social Research

SURVEYS OF CONSUMERS

AUGUST 1989

The August 1989 survey was the 253rd in a series of Surveys of Consumers conducted by the Survey Research Center at The University of Michigan. Initiated in 1946, these periodic surveys provide regular assessments of consumer attitudes and expectations, and are used to evaluate economic trends and prospects. The surveys are designed to explore why changes in consumer attitudes and expectations occur, and how these changes influence consumer spending and saving decisions.

All surveys are subject to sampling error because not all members of the population are interviewed. Most results for the total sample will differ by no more than 5 percentage points in either direction from what would have been obtained by using the same methods on the entire population. See the back of this book for sampling error information.

While every effort is made to accurately measure consumer attitudes and expectations, factors other than sampling may also affect the accuracy of these (and other) findings. These factors may include effects of the question wording, the ability of respondents to articulate answers and opinions, refusal to participate in the survey, and incomplete coverage of the population. There are no standard measures of these effects, but their presence should be acknowledged when using these and all other survey data. While measurement effects are present in all surveys, a noted advantage of time-series data is that the non-sampling influences remain relatively constant across samples.

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CHART 1 - RECENT CHANGES
THE INDEX OF CONSUMER SENTIMENT

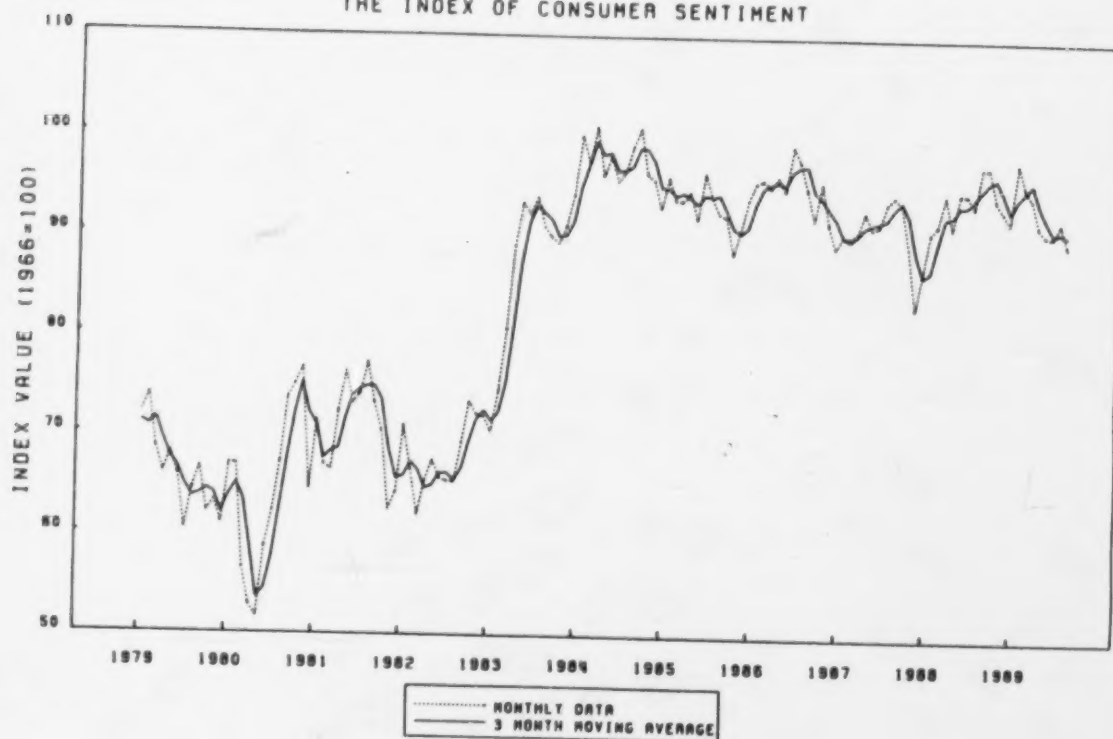


CHART 1 - HISTORICAL SERIES
THE INDEX OF CONSUMER SENTIMENT

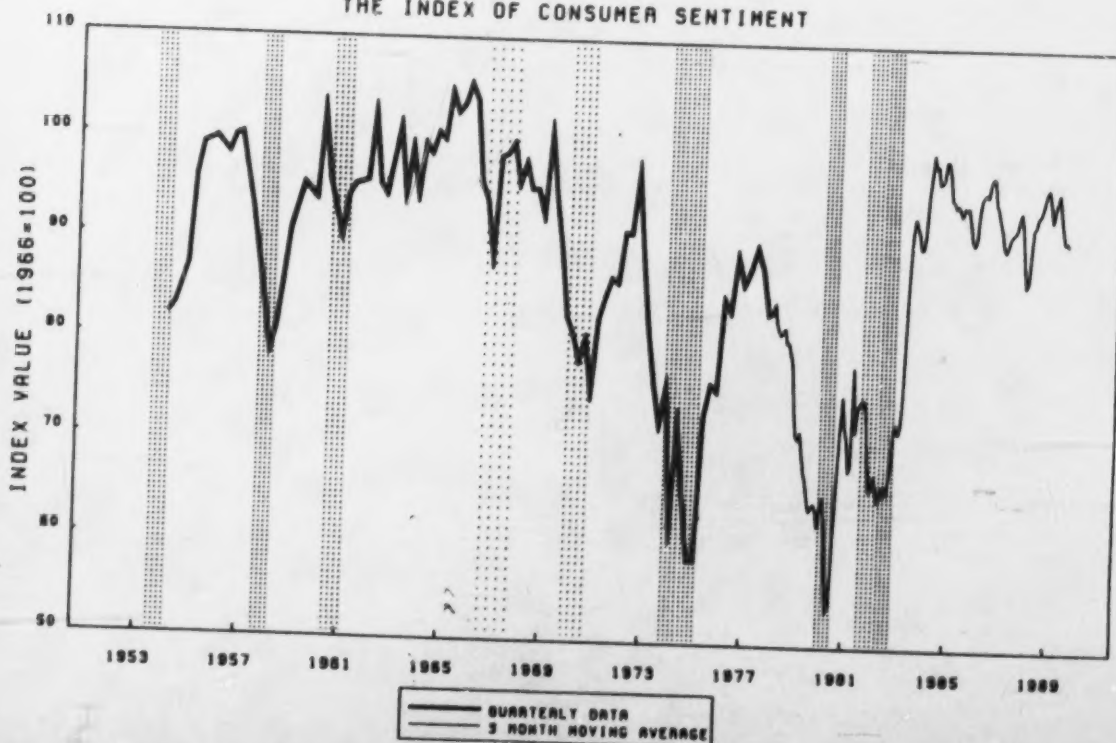


TABLE 1

THE INDEX OF CONSUMER SENTIMENT

DATE OF SURVEY	All families	Families with incomes over \$30,000	Families with incomes over \$40,000
August 1986	94.9	105.0	106.6
September 1986	91.9	99.5	102.1
October 1986	95.6	102.8	105.5
November 1986	91.4	97.5	98.7
December 1986	89.1	98.7	98.3
January 1987	90.4	101.2	104.0
February 1987	90.2	103.6	103.6
March 1987	90.8	97.8	96.1
April 1987	92.8	98.5	103.1
May 1987	91.1	97.7	99.2
June 1987	91.5	102.9	102.9
July 1987	93.7	102.5	104.0
August 1987	94.4	104.4	109.1
September 1987	93.6	100.6	104.3
October 1987	89.3	99.9	101.8
November 1987	83.1	87.7	90.5
December 1987	86.8	94.5	96.1
January 1988	90.8	99.0	99.9
February 1988	91.6	98.1	100.8
March 1988	94.6	103.7	104.6
April 1988	91.2	99.1	99.6
May 1988	94.8	106.6	108.3
June 1988	94.7	102.3	102.7
July 1988	93.4	100.5	103.9
August 1988	97.4	105.1	104.2
September 1988	97.3	102.8	105.4
October 1988	94.1	103.0	103.7
November 1988	93.0	102.0	101.0
December 1988	91.9	97.0	99.5
January 1989	97.9	108.4	106.8
February 1989	95.4	104.6	109.6
March 1989	94.3	98.6	100.0
April 1989	91.5	99.1	99.8
May 1989	90.7	100.6	100.3
June 1989	90.6	95.2	95.4
July 1989	92.0	103.2	101.9
August 1989	89.6	93.5	93.1

CHART 2A - HISTORICAL SERIES
INDEX OF CONSUMER SENTIMENT WITHIN REGION SUBGROUPS

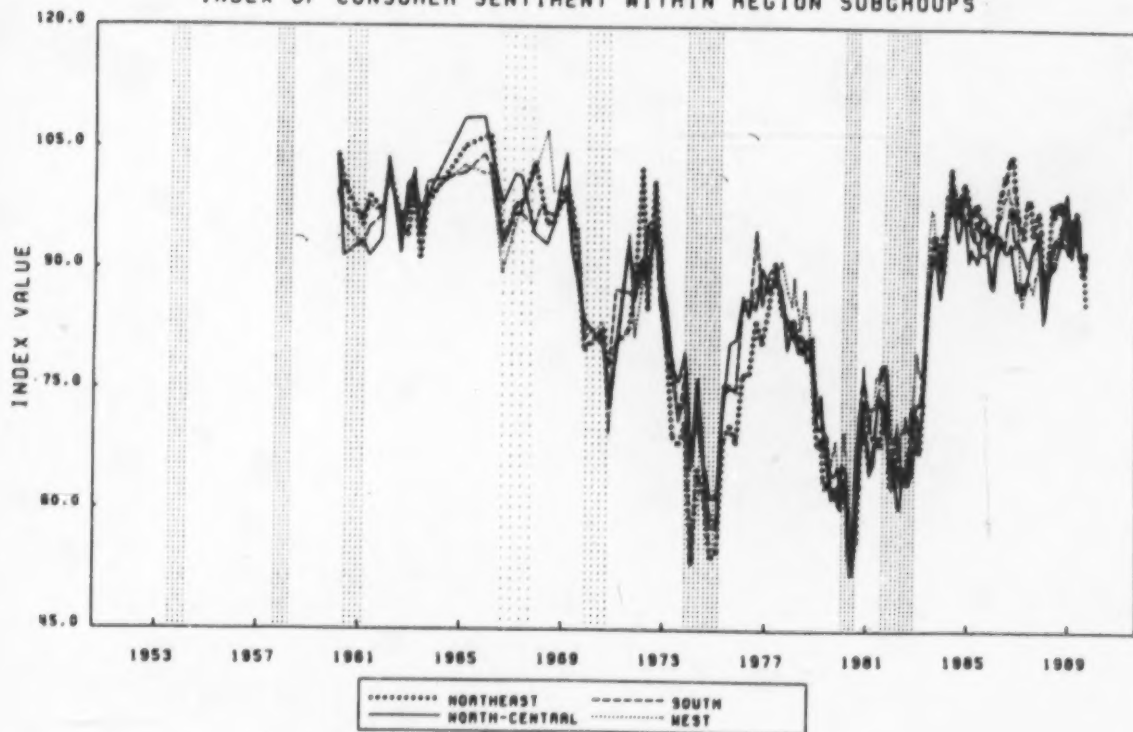


CHART 2B - HISTORICAL SERIES
INDEX OF CONSUMER SENTIMENT WITHIN AGE SUBGROUPS

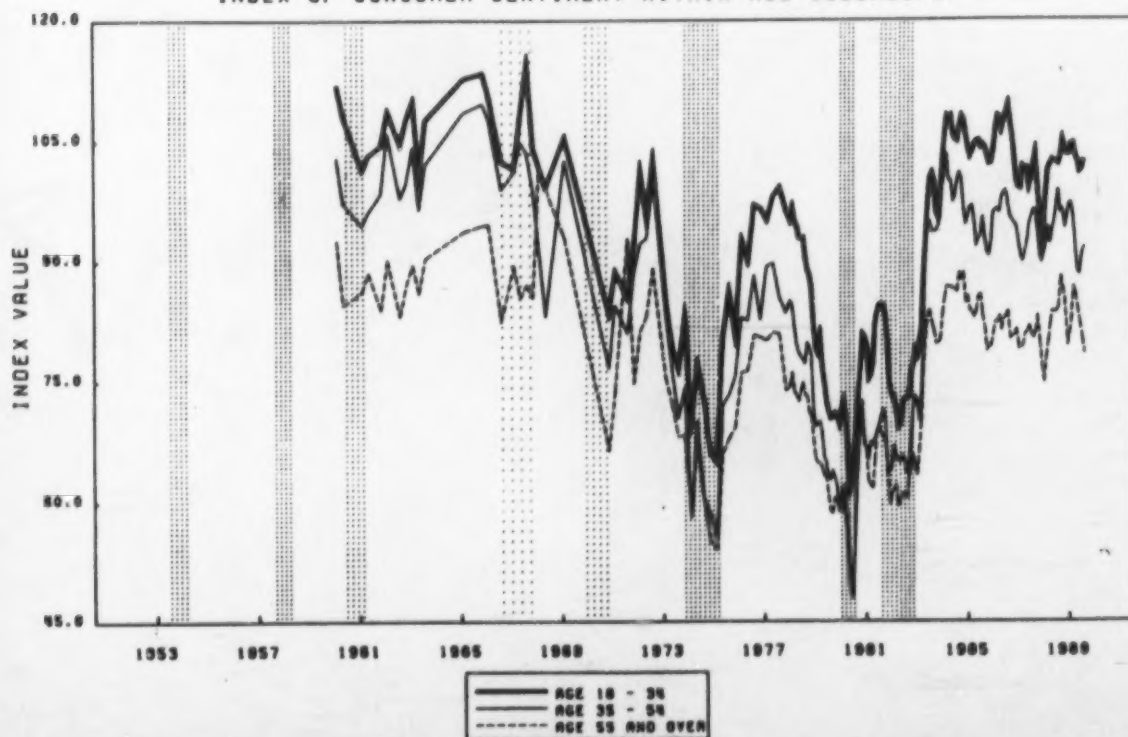


TABLE 2

INDEX OF CONSUMER SENTIMENT WITHIN REGION AND AGE SUBGROUPS

DATE OF SURVEY	CENSUS REGION				AGE OF RESPONDENT		
	North East	North Central	South	West	18-34	35-54	55+
August 1986	102.5	92.6	90.5	98.2	107.9	95.2	80.1
September 1986	94.6	87.0	91.9	95.8	106.3	92.4	76.1
October 1986	99.1	90.0	96.5	99.3	102.5	97.3	85.7
November 1986	95.8	85.6	93.2	92.3	99.5	94.2	80.4
December 1986	91.8	90.4	89.5	84.0	98.0	91.3	78.3
January 1987	98.1	85.9	96.0	83.9	99.9	91.2	78.4
February 1987	92.4	89.5	90.7	89.2	99.1	89.2	81.5
March 1987	104.6	86.3	87.5	91.2	106.4	89.3	77.7
April 1987	99.4	91.7	93.7	87.2	99.0	95.1	83.5
May 1987	91.3	92.9	92.1	87.1	99.5	92.8	82.1
June 1987	92.5	92.2	91.5	89.7	99.0	95.5	80.0
July 1987	100.1	95.7	93.8	85.2	103.0	97.8	80.2
August 1987	99.0	91.0	95.2	93.2	103.3	95.8	80.8
September 1987	92.2	94.7	94.9	91.5	104.1	95.4	82.6
October 1987	93.8	87.2	88.3	89.1	92.0	89.9	86.2
November 1987	83.9	79.6	87.9	79.4	91.7	86.6	70.8
December 1987	83.4	83.6	90.4	89.2	94.1	92.9	73.6
January 1988	99.8	91.3	87.6	88.5	98.3	93.6	80.1
February 1988	93.7	92.1	92.8	86.3	102.5	90.3	79.9
March 1988	101.2	92.9	94.6	95.3	103.5	98.9	80.0
April 1988	94.9	93.9	88.6	89.0	100.0	87.5	86.6
May 1988	99.1	95.5	91.1	97.3	104.2	95.4	84.7
June 1988	98.1	91.2	95.9	95.2	103.1	102.0	79.5
July 1988	98.3	92.0	91.8	94.0	99.6	93.0	86.6
August 1988	95.7	100.9	94.4	98.5	103.6	101.7	86.3
September 1988	95.2	101.9	93.3	97.6	106.1	93.3	91.4
October 1988	91.8	96.1	92.9	96.6	105.8	94.6	82.0
November 1988	95.8	90.6	90.5	98.9	100.4	94.3	82.2
December 1988	90.8	90.2	96.1	88.0	103.7	97.1	73.9
January 1989	96.9	94.2	99.9	102.2	105.8	100.3	86.7
February 1989	103.5	99.2	88.8	93.6	104.3	94.2	86.7
March 1989	91.5	95.8	96.1	92.2	103.9	91.8	87.0
April 1989	83.9	94.6	93.4	90.3	101.0	87.5	83.8
May 1989	99.9	86.7	87.3	94.3	102.2	86.9	81.9
June 1989	84.7	91.2	94.4	89.8	100.0	90.4	81.1
July 1989	87.2	91.9	95.6	91.8	101.9	95.8	78.0
August 1989	85.2	93.6	85.0	95.7	105.7	88.9	76.1

CHART 3 - RECENT CHANGES
CURRENT AND EXPECTED COMPONENTS

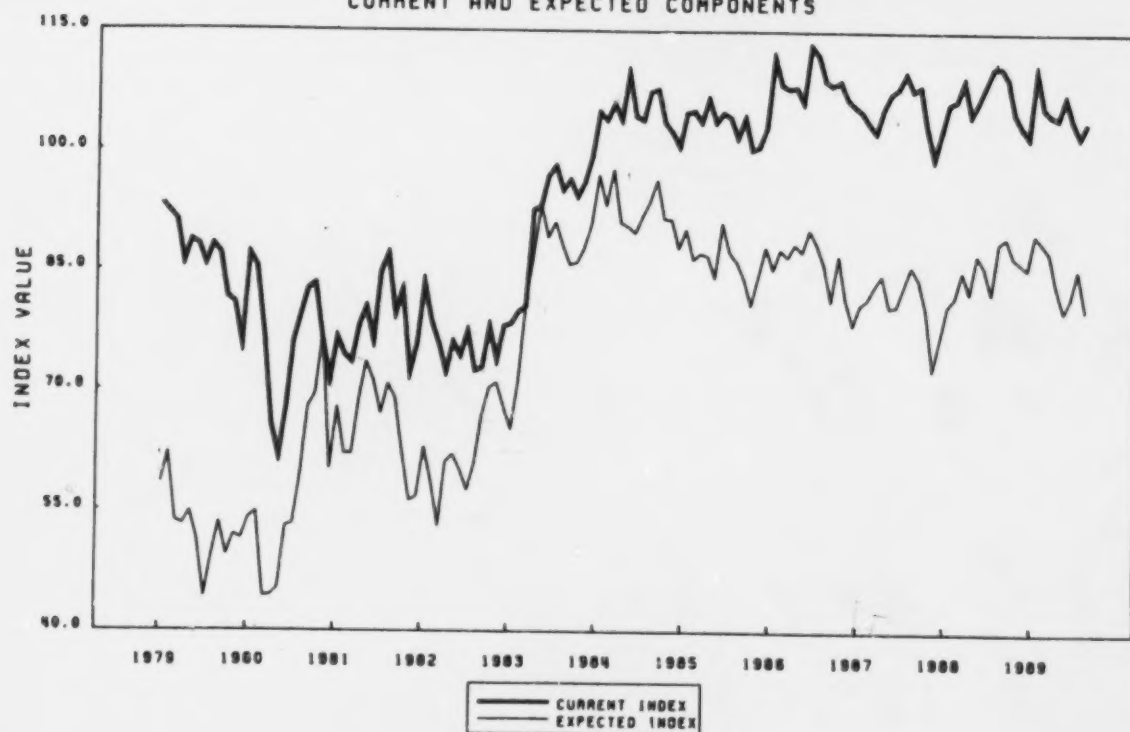


CHART 3 - HISTORICAL SERIES
CURRENT AND EXPECTED COMPONENTS

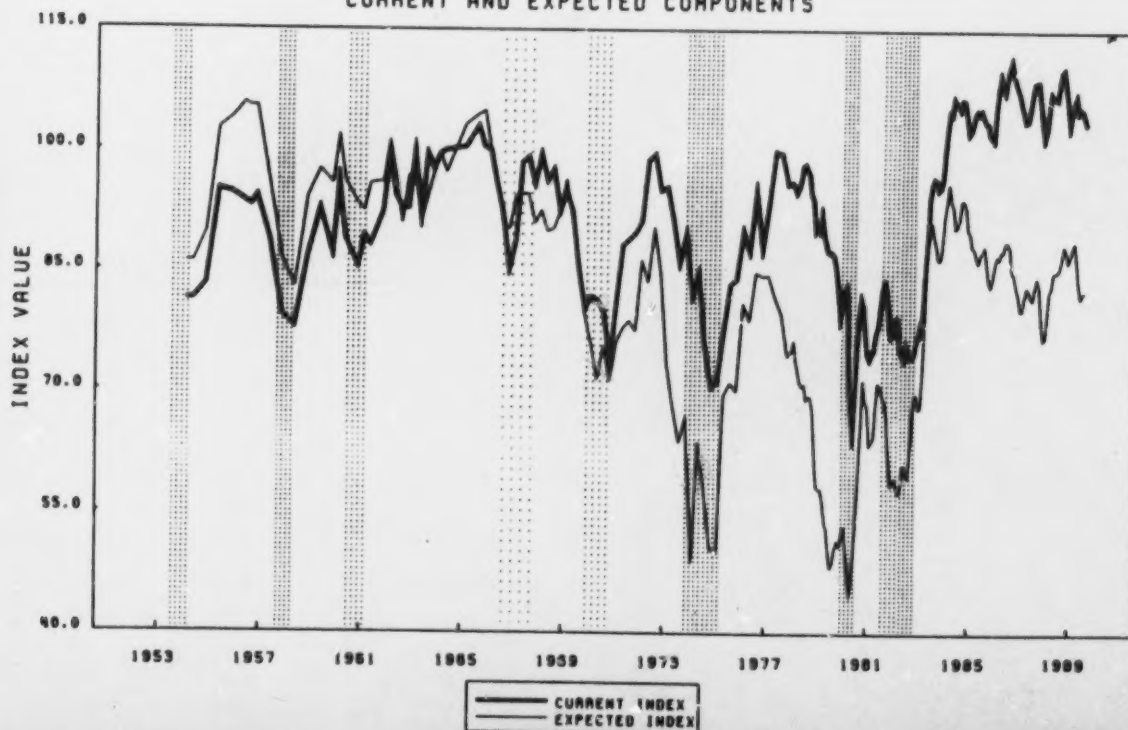


TABLE 3
COMPONENTS OF THE INDEX OF CONSUMER SENTIMENT

		INDEX COMPONENTS +							
		Personal finances		Business conditions		Buying conds.	Current Index	Expected Index	
		Current	Expected	12 months	5 years				
DATE OF SURVEY		(1)	(2)	(3)	(4)	(5)	(1,5)	(2,3,4)	
August	1986	121	128	123	94	161	108.9	85.9	
September	1986	120	127	115	84	161	108.3	81.3	
October	1986	120	127	124	99	162	108.9	87.1	
November	1986	121	121	120	87	155	106.7	81.6	
December	1986	116	127	104	83	158	105.8	78.3	
January	1987	120	130	117	77	152	105.1	80.9	
February	1987	115	126	117	84	153	103.7	81.6	
March	1987	114	122	121	92	152	102.5	83.3	
April	1987	116	127	116	97	158	105.5	84.7	
May	1987	117	121	114	89	161	107.4	80.6	
June	1987	120	122	113	89	161	108.1	80.8	
July	1987	123	123	118	94	162	109.9	83.3	
August	1987	122	127	125	93	157	107.8	85.8	
September	1987	119	124	122	92	162	108.3	84.2	
October	1987	118	128	105	90	149	103.1	80.4	
November	1987	115	118	93	80	142	99.3	72.7	
December	1987	119	120	98	89	147	102.7	76.7	
January	1988	122	131	110	84	154	106.2	80.9	
February	1988	122	130	108	90	155	106.6	81.9	
March	1988	127	133	114	96	156	109.1	85.2	
April	1988	117	125	117	89	154	104.8	82.4	
May	1988	111	127	125	98	165	106.5	87.3	
June	1988	119	129	121	95	163	108.6	85.7	
July	1988	120	128	106	96	167	110.7	82.3	
August	1988	127	127	125	105	160	110.8	88.8	
September	1988	127	133	125	102	157	109.4	89.5	
October	1988	114	124	129	97	158	105.0	87.0	
November	1988	112	128	122	97	156	103.3	86.3	
December	1988	114	127	119	98	150	102.0	85.5	
January	1989	121	131	128	103	165	110.3	89.9	
February	1989	120	130	128	99	154	105.7	88.8	
March	1989	116	131	123	98	156	104.8	87.6	
April	1989	113	130	113	91	158	104.4	83.2	
May	1989	121	125	107	89	157	107.1	80.1	
June	1989	115	123	115	90	155	104.1	82.0	
July	1989	112	123	124	96	152	102.1	85.5	
August	1989	114	126	109	88	156	103.9	80.3	

(1) See Table 4.

(2) See Table 6.

(3) See Table 15.

(4) See Table 16.

(5) See Table 21.

+ : Percent saying "GOOD TIMES" (or "BETTER"), minus percent saying "BAD TIMES" (or "WORSE"), plus 100.

CHART 4 - RECENT CHANGES
CURRENT FINANCIAL SITUATION COMPARED WITH A YEAR AGO

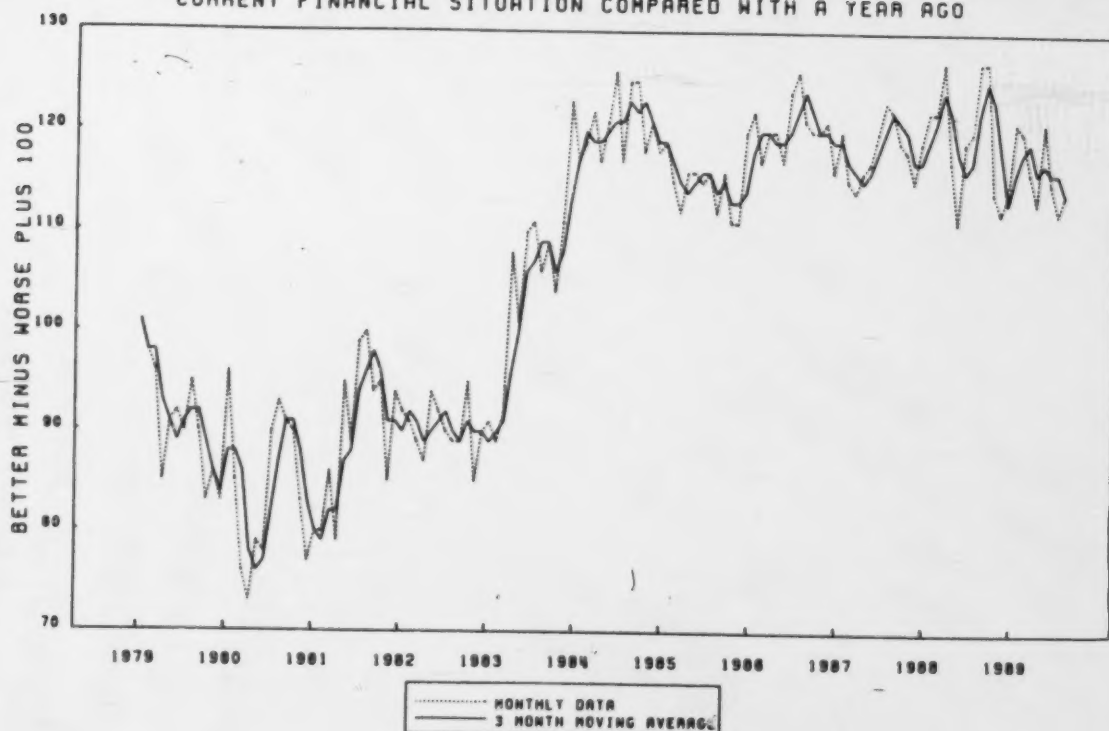


CHART 4 - HISTORICAL SERIES
CURRENT FINANCIAL SITUATION COMPARED WITH A YEAR AGO

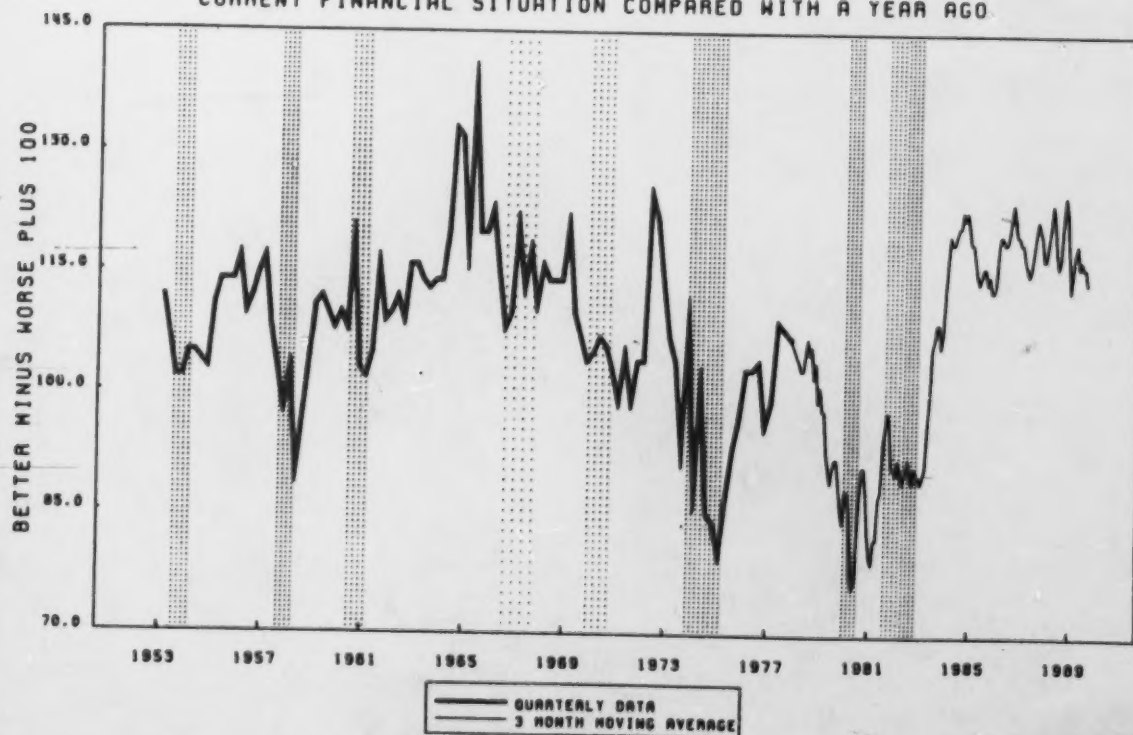


TABLE 4

CURRENT FINANCIAL SITUATION COMPARED TO A YEAR AGO

	Aug. 1988	Sept 1988	Oct. 1988	Nov. 1988	Dec. 1988	Jan. 1989	Feb. 1989	Mar. 1989	Apr. 1989	May 1989	June 1989	July 1989	Aug. 1989
BETTER OFF	50%	49%	42%	41%	39%	44%	44%	42%	42%	45%	38%	41%	41%
SAME	26	28	30	30	36	33	31	32	29	31	38	30	32
WORSE OFF	23	22	28	29	25	23	24	26	29	24	23	29	27
DK, NA	1	1	*	*	*	*	1	*	*	*	1	*	*
TOTAL	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%
CASES	500	500	501	508	500	501	500	502	500	503	507	501	502

The question was: "We are interested in how people are getting along financially these days. Would you say that you (and your family living there) are better off or worse off financially than you were a year ago?"

* : Less than half of one percent.

CHART 5A - HISTORICAL SERIES
REASONS FOR OPINIONS ABOUT PERSONAL FINANCIAL SITUATION

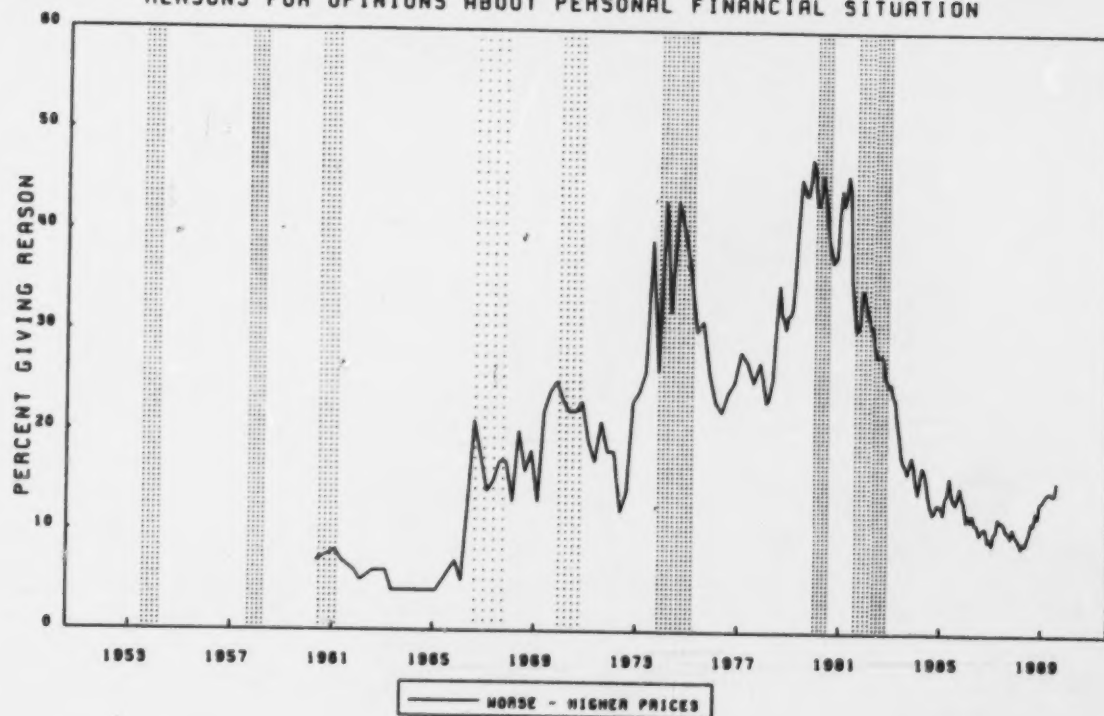


CHART 5B - HISTORICAL SERIES
REASONS FOR OPINIONS ABOUT PERSONAL FINANCIAL SITUATION

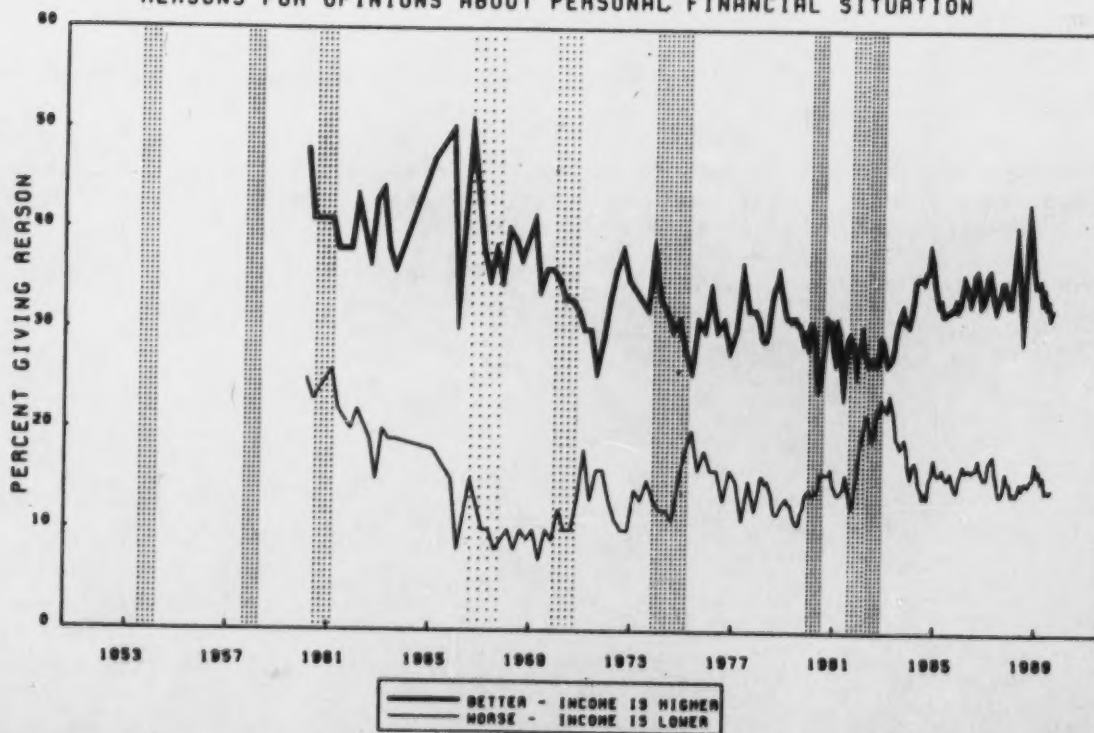


TABLE 5

SELECTED REASONS FOR OPINIONS ABOUT PERSONAL FINANCIAL SITUATION +

	Aug. 1988	Sept 1988	Oct. 1988	Nov. 1988	Dec. 1988	Jan. 1989	Feb. 1989	Mar. 1989	Apr. 1989	May 1989	June 1989	July 1989	Aug. 1989
BETTER OFF THAN YEAR AGO:													
Income is higher	45%	40%	34%	35%	35%	34%	36%	30%	36%	32%	31%	32%	34%
WORSE OFF THAN YEAR AGO:													
Income is lower	16	12	18	16	17	14	18	13	16	13	14	15	14
Higher prices	13	9	15	11	14	15	12	15	16	12	14	16	16

Responses to the query: "Why do you say so?" following the question on Table 4.

+ : May add to more than 100% due to multiple mentions.

CHART 6 - RECENT CHANGES
EXPECTED CHANGE IN FINANCIAL SITUATION

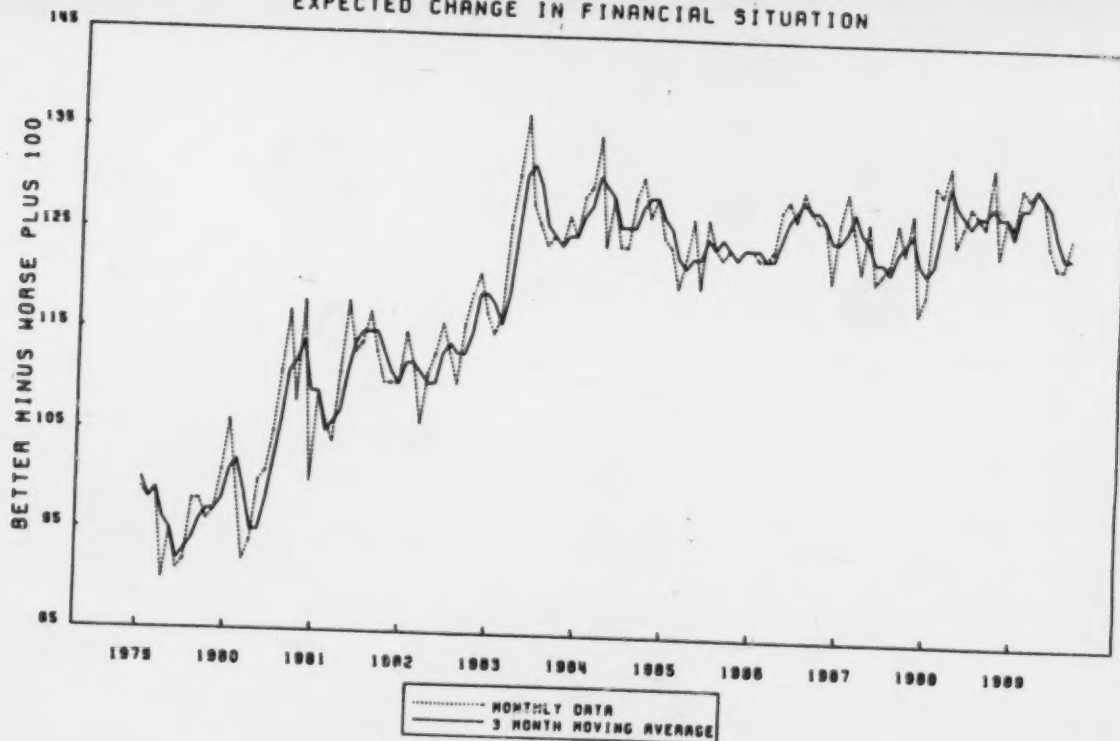


CHART 6 - HISTORICAL SERIES
EXPECTED CHANGE IN FINANCIAL SITUATION

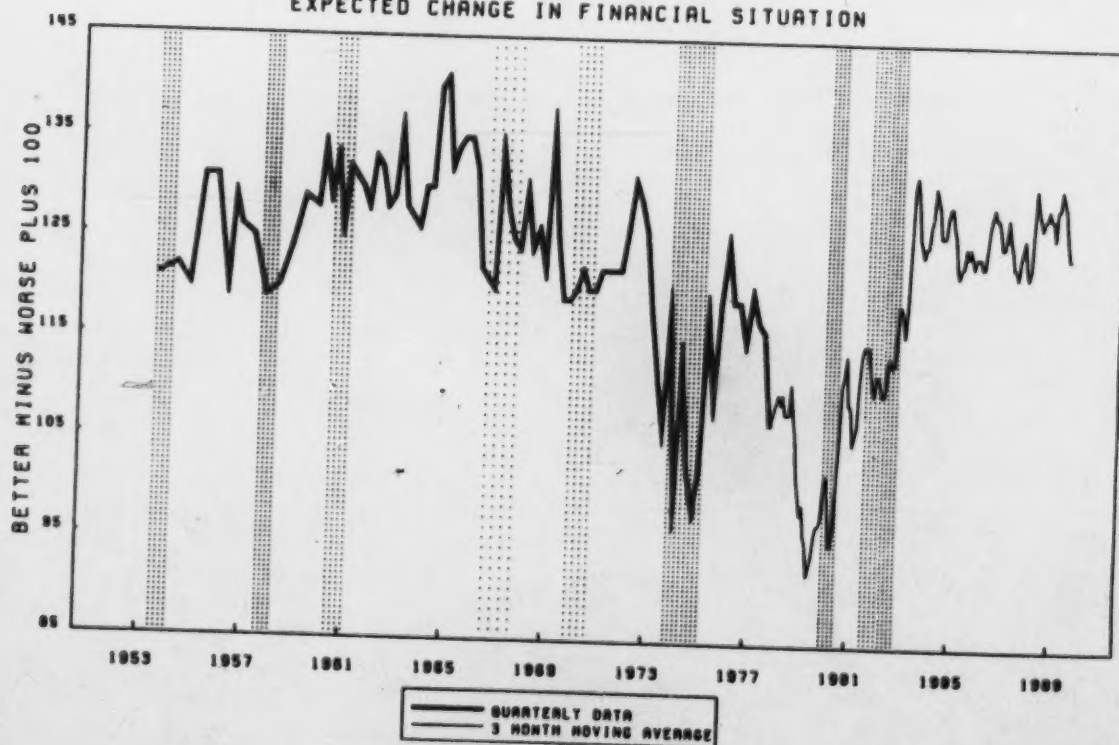


TABLE 6

EXPECTED CHANGE IN FINANCIAL SITUATION

	Aug. 1988	Sept 1988	Oct. 1988	Nov. 1988	Dec. 1988	Jan. 1989	Feb. 1989	Mar. 1989	Apr. 1989	May 1989	June 1989	July 1989	Aug. 1989
BETTER OFF	36%	41%	36%	37%	39%	41%	40%	40%	41%	39%	34%	35%	37%
SAME	49	47	48	49	46	47	46	49	46	45	52	50	49
WORSE OFF	9	8	12	9	12	10	10	9	11	14	11	12	11
DK, NA	6	4	4	5	3	2	4	2	2	2	3	3	3
TOTAL	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%
CASES	500	500	501	508	500	501	500	502	500	503	507	501	502

The question was: "Now looking ahead--do you think that a year from now you (and your family living there) will be better off financially, or worse off, or just about the same as now?"

CHART 7 - RECENT CHANGES
TREND IN PERSONAL FINANCIAL SITUATION

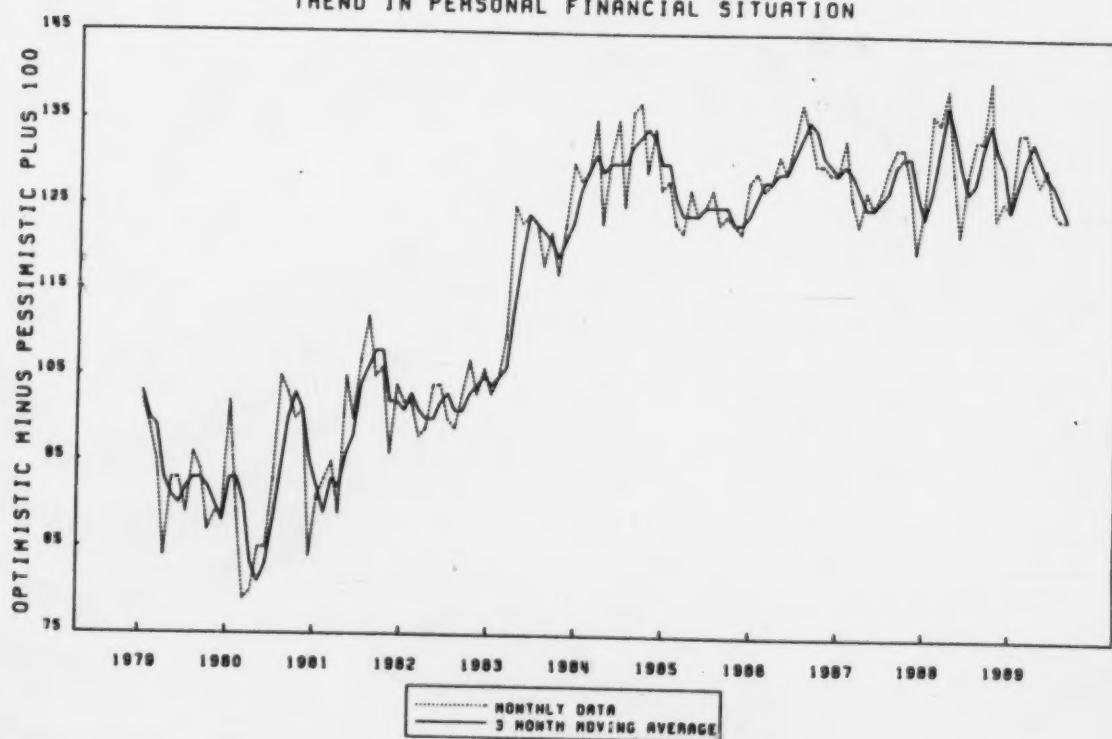


CHART 7 - HISTORICAL SERIES
TREND IN PERSONAL FINANCIAL SITUATION

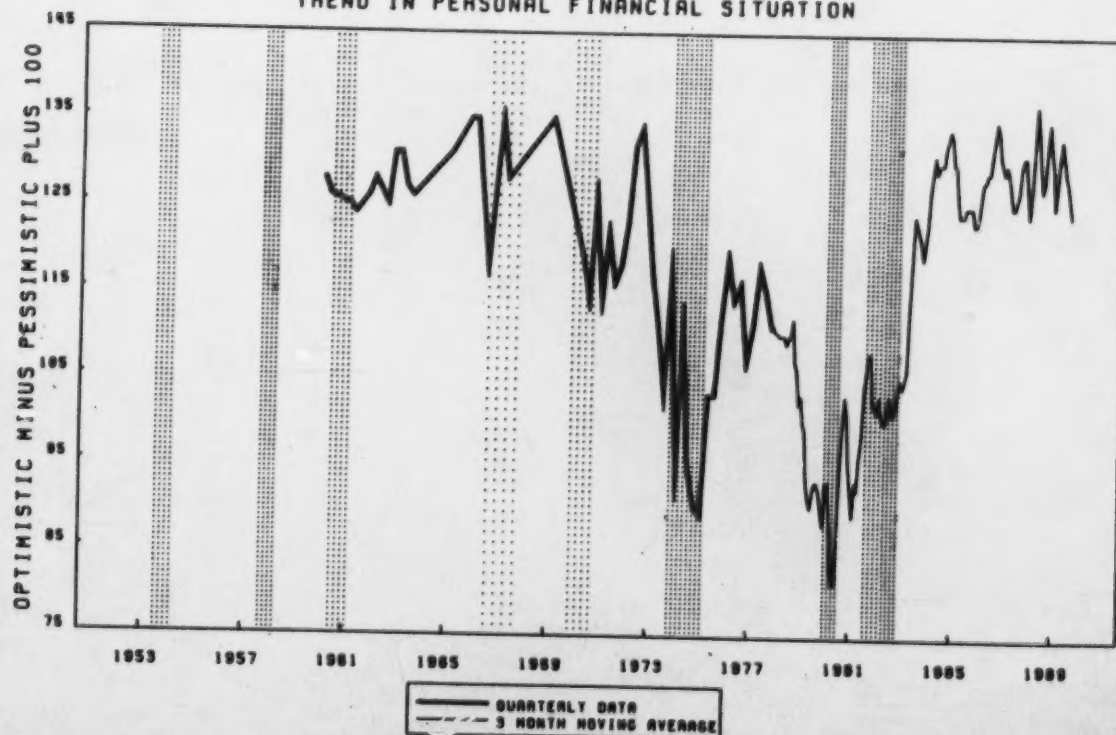


TABLE 7

TREND IN PERSONAL FINANCIAL SITUATION

	Aug. 1988	Sept 1988	Oct. 1988	Nov. 1988	Dec. 1988	Jan. 1989	Feb. 1989	Mar. 1989	Apr. 1989	May 1989	June 1989	July 1989	Aug. 1989
PERSONAL FINANCIAL PROGRESS:													
Continuous increase (a)	25%	25%	20%	21%	22%	23%	22%	20%	21%	21%	16%	19%	20%
Intermittant increase (b)	26	28	25	25	23	29	29	29	27	31	28	28	25
Remain unchanged (c)	16	17	18	18	20	18	17	18	17	14	22	18	20
Intermittant decline (d)	14	10	15	16	16	13	12	15	13	18	15	15	16
Continuous decline (e)	4	3	6	4	4	5	5	4	7	4	4	8	5
Mixed change (f)	8	12	11	11	11	10	11	12	13	9	11	9	10
DK, NA	7	5	5	5	4	2	4	2	2	3	4	3	4
TOTAL	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%
CASES	500	500	501	508	500	501	500	502	500	503	507	501	502

Combination of the responses to the questions on Tables 4 and 6.

Key: (a) Better off financially than a year ago/Better off a year from now
 (b) Better/Same or Same/Better
 (c) Same/Same
 (d) Worse/Same or Same/Worse
 (e) Worse/Worse
 (f) Worse/Better or Better/Worse

CHART 8 - RECENT CHANGES
 MEDIAN EXPECTED CHANGE IN FAMILY INCOME

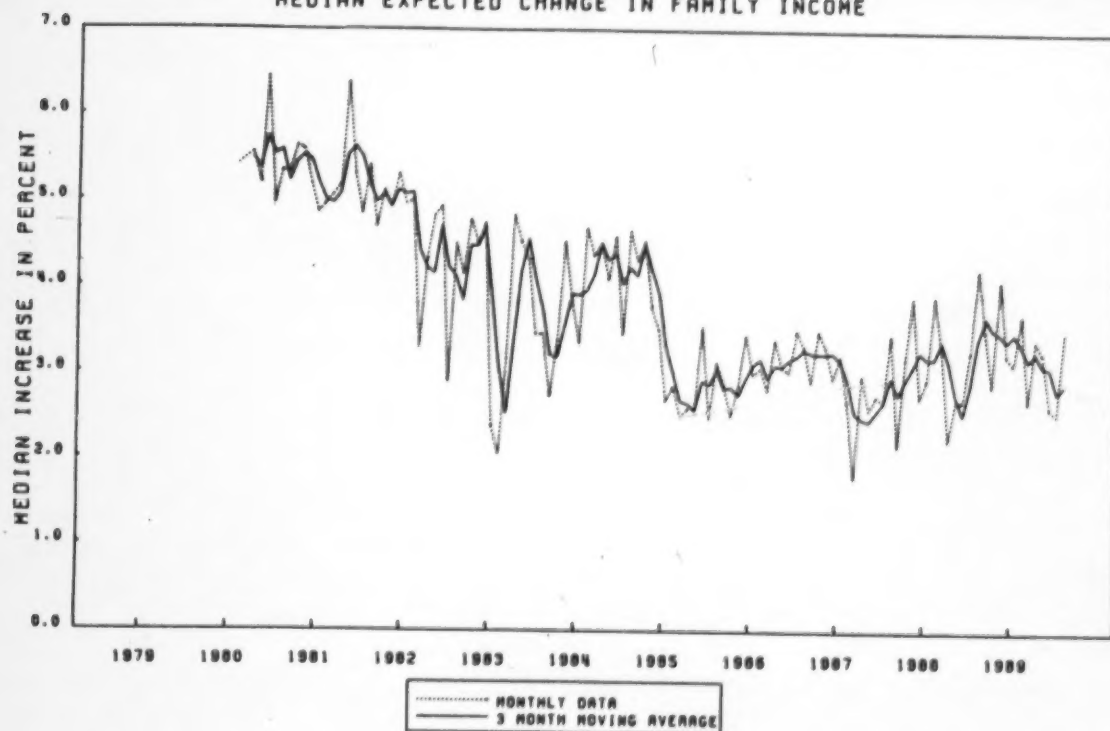


CHART 8 - HISTORICAL SERIES
 MEDIAN EXPECTED CHANGE IN FAMILY INCOME

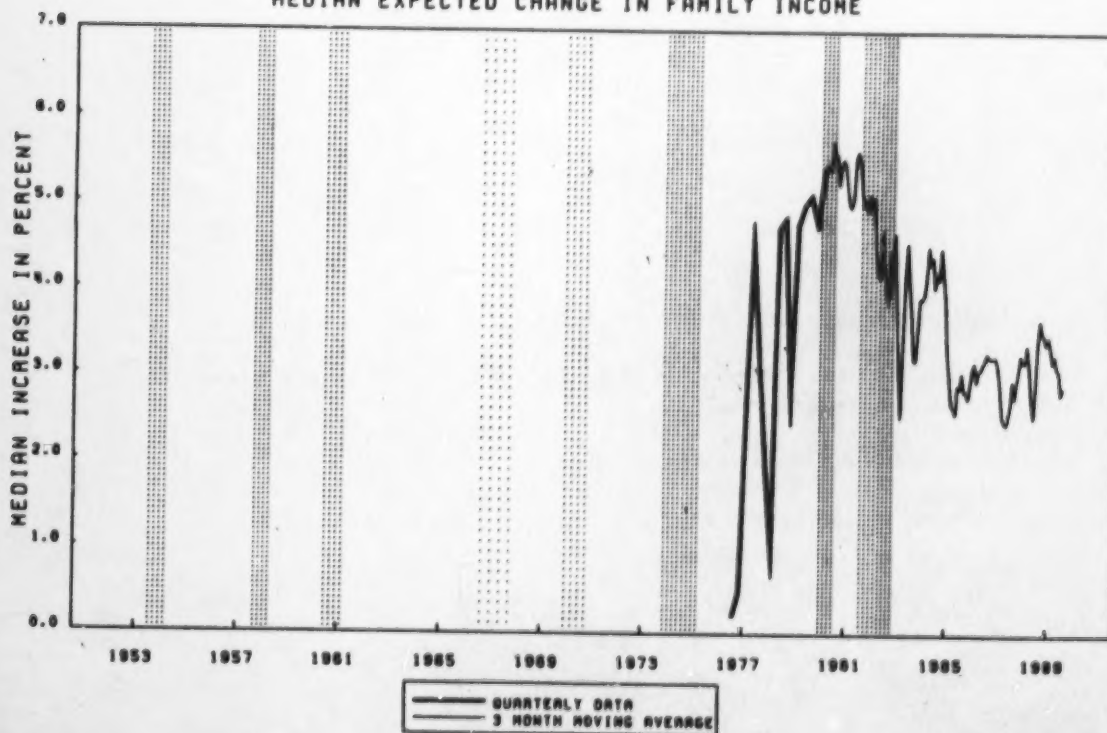


TABLE 8

EXPECTED FAMILY INCOME CHANGE DURING THE NEXT 12 MONTHS

	Aug. 1988	Sept 1988	Oct. 1988	Nov. 1988	Dec. 1988	Jan. 1989	Feb. 1989	Mar. 1989	Apr. 1989	May 1989	June 1989	July 1989	Aug. 1989
EXPECT INCREASE:													
1-4%	14%	16%	16%	18%	21%	15%	17%	16%	17%	16%	18%	15%	15%
5%	14	10	12	11	11	9	15	10	12	9	11	9	13
6-9%	9	8	6	9	7	10	7	7	7	7	6	6	8
10-24%	17	16	15	15	15	14	15	14	15	17	14	16	17
25% or more	5	8	6	7	6	8	7	7	7	8	6	6	6
DK how much up	6	6	5	7	4	4	5	5	5	4	5	6	3
EXPECT SAME	25	25	27	20	22	27	22	27	23	26	27	31	26
EXPECT DOWN	9	10	12	11	13	13	11	14	12	12	12	10	12
DK, NA	1	1	1	2	1	*	1	*	2	1	1	1	*
TOTAL	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%
CASES	500	500	501	508	500	501	500	502	500	503	507	501	502

The questions were: "During the next 12 months, do you expect your (family) income to be higher or lower than during the past year?" and "By about what percent do you expect your (family) income to increase during the next 12 months?"

* : Less than half of one percent.

CHART 9 - RECENT CHANGES
INCOME OR PRICES UP MORE NEXT YEAR

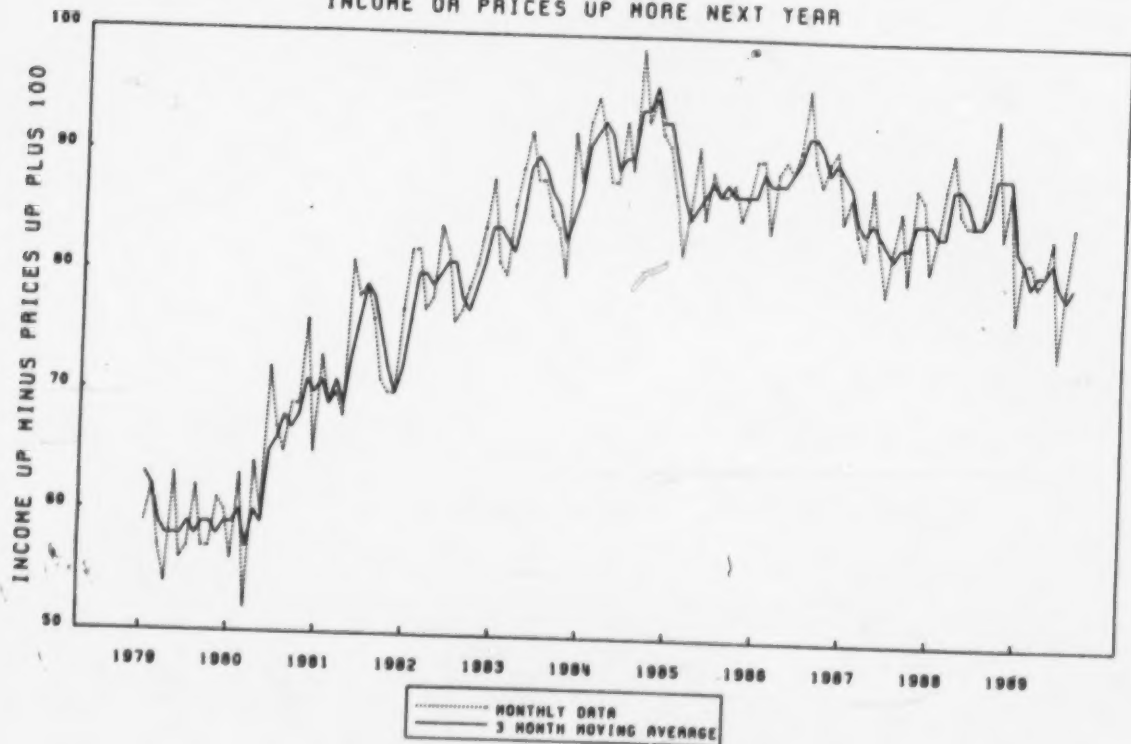


CHART 9 - HISTORICAL SERIES
INCOME OR PRICES UP MORE NEXT YEAR

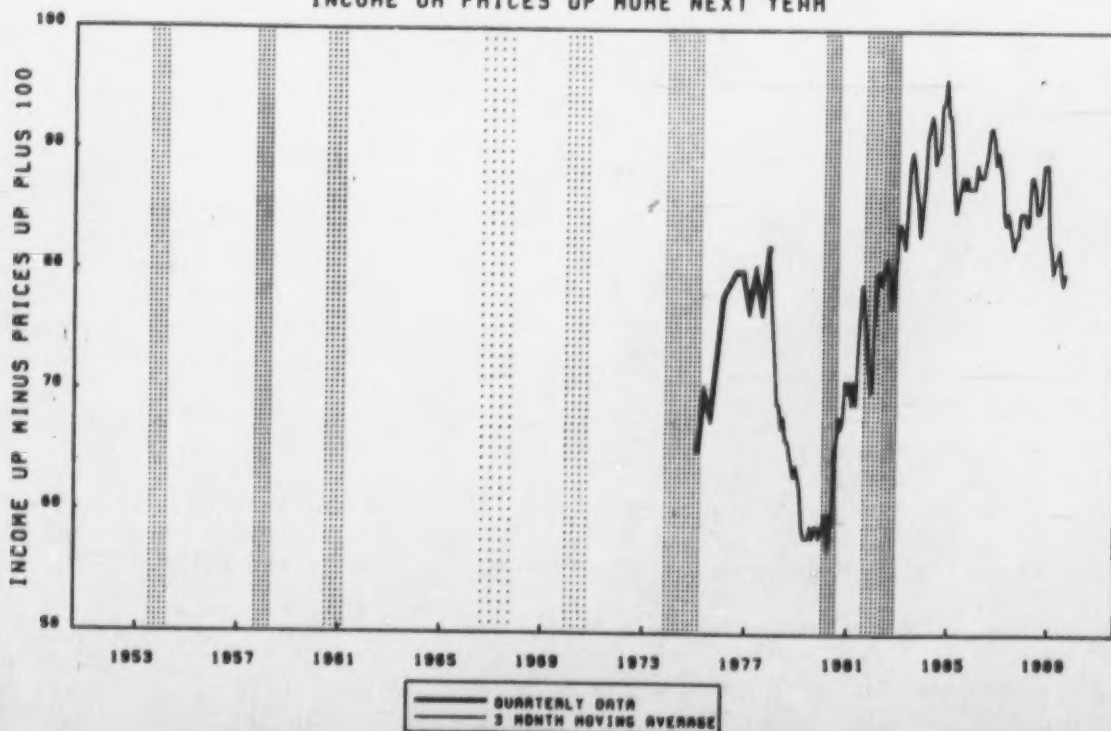


TABLE 9

EXPECTED CHANGE IN REAL FAMILY INCOME

	Aug. 1988	Sept 1988	Oct. 1988	Nov. 1988	Dec. 1988	Jan. 1989	Feb. 1989	Mar. 1989	Apr. 1989	May 1989	June 1989	July 1989	Aug. 1989
INCOME UP MORE	20%	25%	18%	21%	17%	19%	18%	17%	18%	22%	16%	19%	21%
INCOME UP SAME	43	41	46	43	41	41	43	44	43	37	39	40	39
PRICES UP MORE	32	31	34	33	40	37	36	37	37	38	42	39	36
DK, NA	5	3	2	3	2	3	3	2	2	3	3	2	4
TOTAL	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%
CASES	500	500	501	508	500	501	500	502	500	503	507	501	502

The question was: "How about the next year or two--do you expect that your (family) income will go up more than prices will go up, about the same, or less than prices will go up?"

CHART 10 - RECENT CHANGES
NEWS HEARD OF RECENT CHANGES IN BUSINESS CONDITIONS

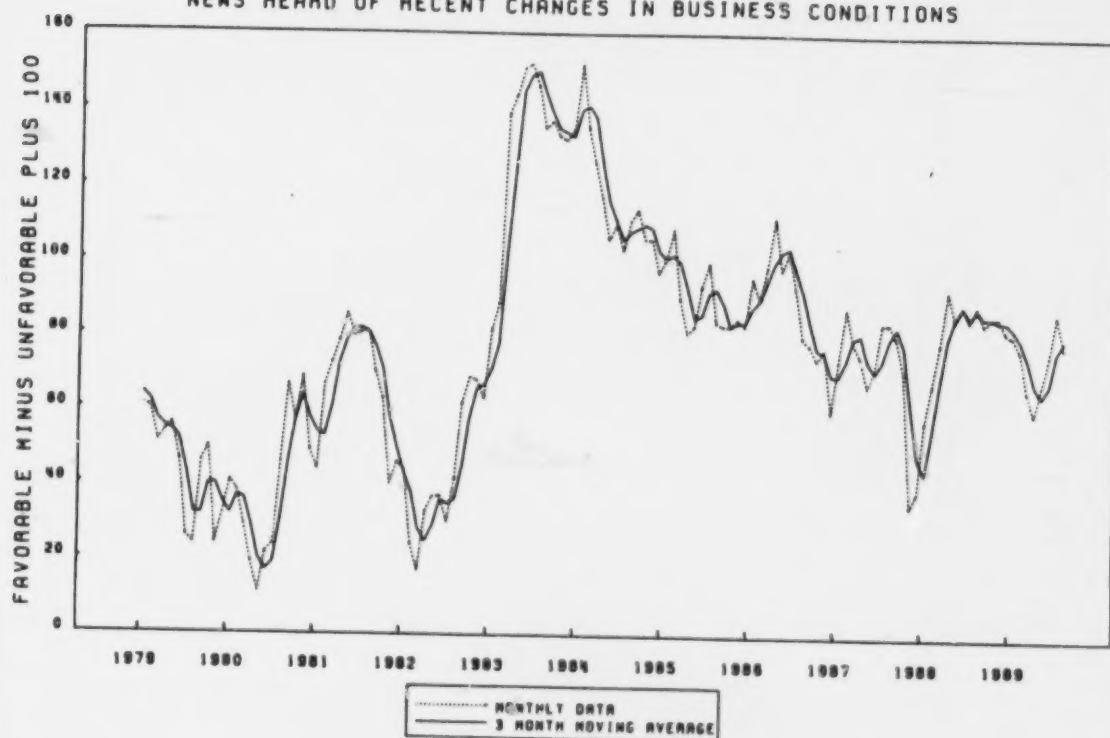


CHART 10 - HISTORICAL SERIES
NEWS HEARD OF RECENT CHANGES IN BUSINESS CONDITIONS

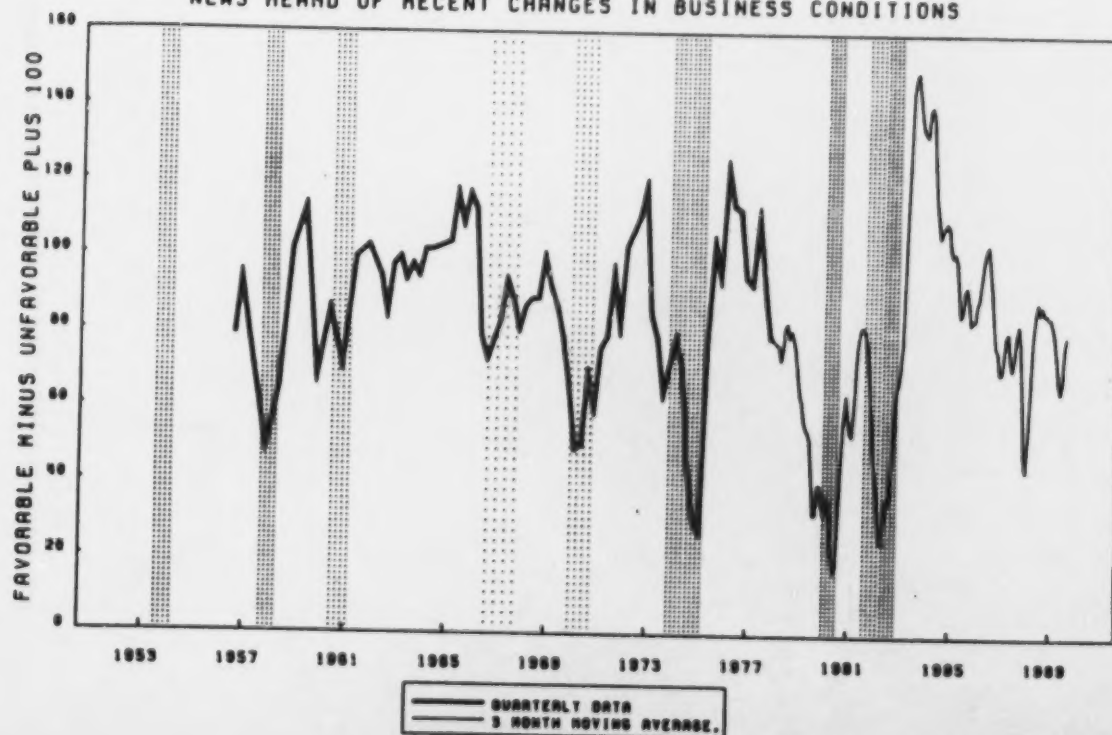


TABLE 10

NEWS HEARD OF RECENT CHANGES IN BUSINESS CONDITIONS +

	Aug. 1988	Sept 1988	Oct. 1988	Nov. 1988	Dec. 1988	Jan. 1989	Feb. 1989	Mar. 1989	Apr. 1989	May 1989	June 1989	July 1989	Aug. 1989
FAVORABLE NEWS	28%	32%	29%	25%	30%	24%	27%	22%	18%	22%	23%	28%	23%
UNFAVORABLE NEWS	39	48	43	39	48	43	50	56	58	54	47	41	45
NO MENTIONS	53	46	52	54	50	55	48	49	48	48	53	50	53

The questions were: "During the last few months, have you heard of any favorable or unfavorable changes in business conditions?" and "What did you hear?"

+ : May add to more than 100% due to multiple mentions.

CHART 11A - HISTORICAL SERIES
TYPE OF NEWS HEARD ABOUT CHANGES IN BUSINESS CONDITIONS

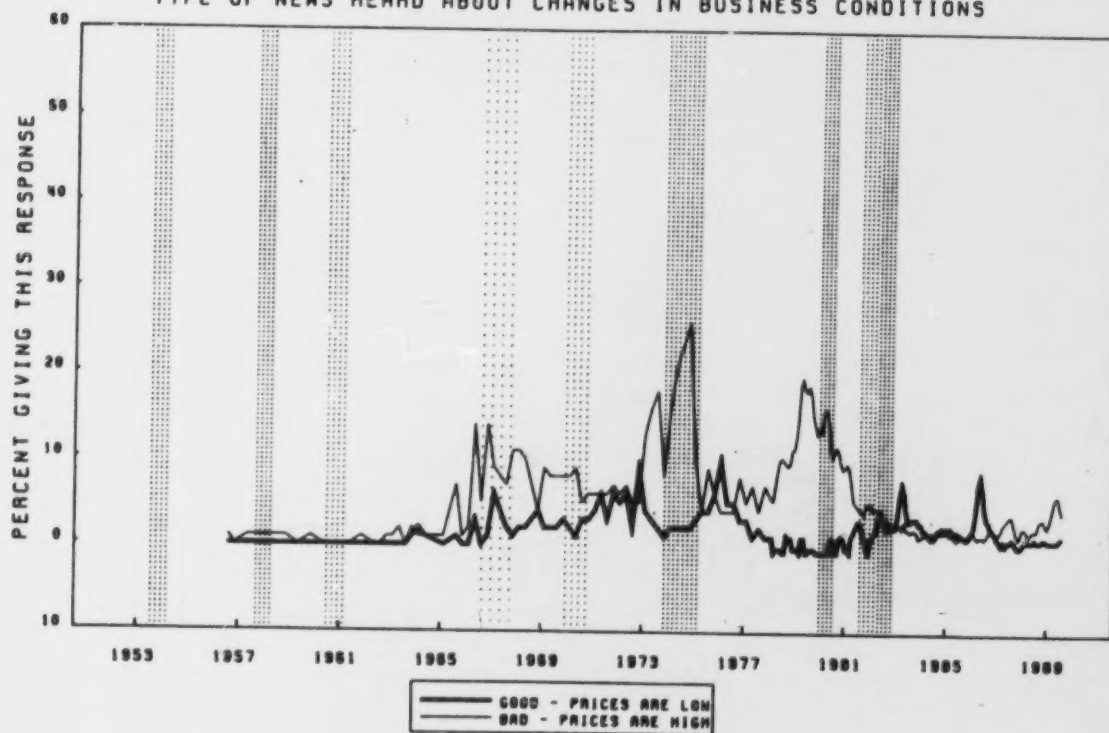


CHART 11B - HISTORICAL SERIES
TYPE OF NEWS HEARD ABOUT CHANGES IN BUSINESS CONDITIONS

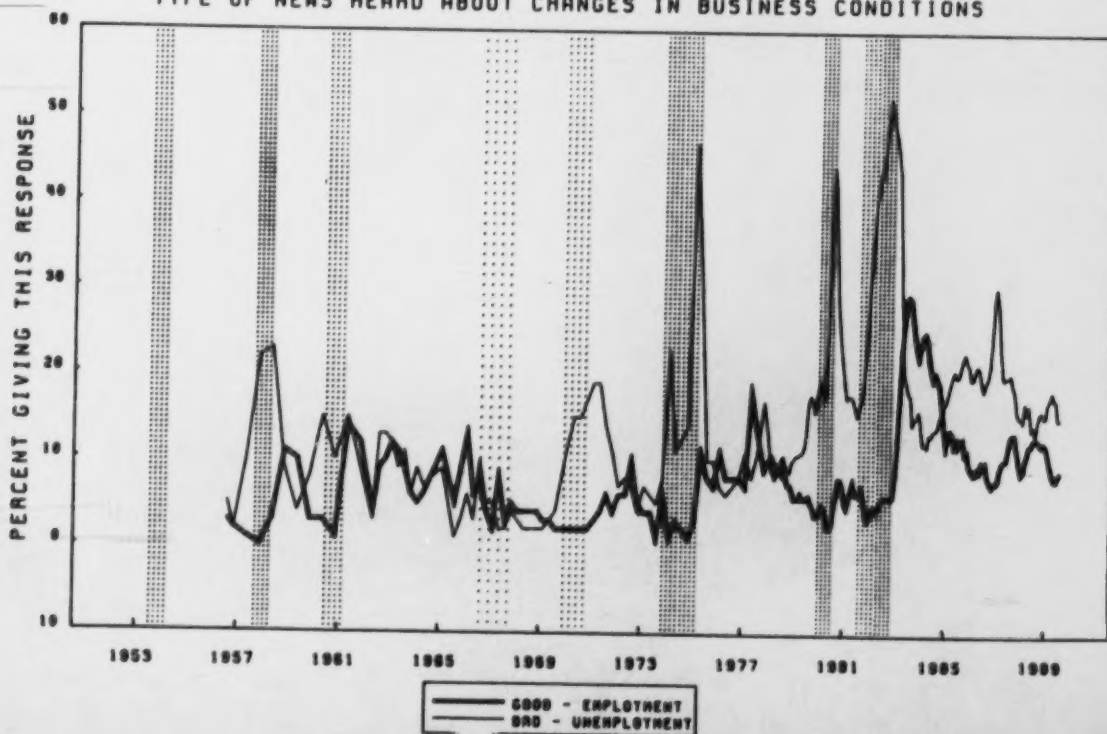


TABLE 11

SELECTED ITEMS OF
NEWS HEARD OF RECENT CHANGES IN BUSINESS CONDITIONS +

	Aug. 1988	Sept 1988	Oct. 1988	Nov. 1988	Dec. 1988	Jan. 1989	Feb. 1989	Mar. 1989	Apr. 1989	May 1989	June 1989	July 1989	Aug. 1989
FAVORABLE NEWS:													
Government; elections	2%	3%	2%	2%	4%	2%	5%	3%	1%	1%	1%	*	2%
Employment	14	11	12	13	12	11	10	8	8	8	8	10	9
Higher consumer demand	2	2	2	2	2	2	1	1	3	2	1	2	1
Lower prices	*	1	1	1	1	*	1	1	*	1	1	1	2
Easier credit	1	1	1	1	1	1	1	1	*	1	4	6	5
Stock market	1	2	2	1	1	2	1	1	1	2	2	2	1
Trade deficit	1	3	2	1	1	1	1	1	1	1	*	1	1
UNFAVORABLE NEWS:													
Government; elections	3	3	5	6	7	7	7	5	4	4	4	5	3
Unemployment	12	18	17	13	16	17	18	17	20	15	17	13	15
Lower consumer demand	3	3	3	2	2	2	4	3	2	4	3	3	3
Higher prices	2	5	3	2	3	2	4	6	6	6	6	2	4
Tighter credit	7	6	4	2	6	4	5	10	12	10	5	3	2
Stock market	3	2	3	3	4	1	1	2	2	2	1	1	1
Trade deficit	2	1	1	4	2	2	3	3	3	2	3	5	3

The questions were: "During the last few months, have you heard of any favorable or unfavorable changes in business conditions?" and "What did you hear?"

+ : May add to more than 100% due to multiple mentions.

* : Less than half of one percent.

CHART 12 - RECENT CHANGES
CURRENT BUSINESS CONDITIONS COMPARED WITH A YEAR AGO

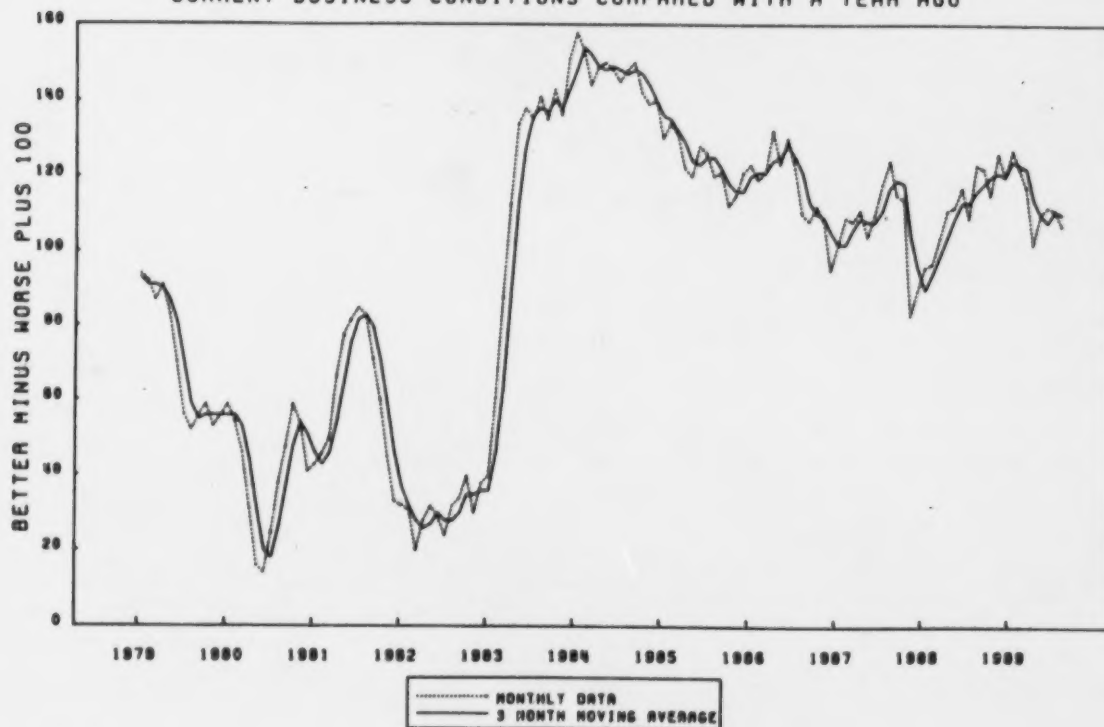


CHART 12 - HISTORICAL SERIES
CURRENT BUSINESS CONDITIONS COMPARED WITH A YEAR AGO

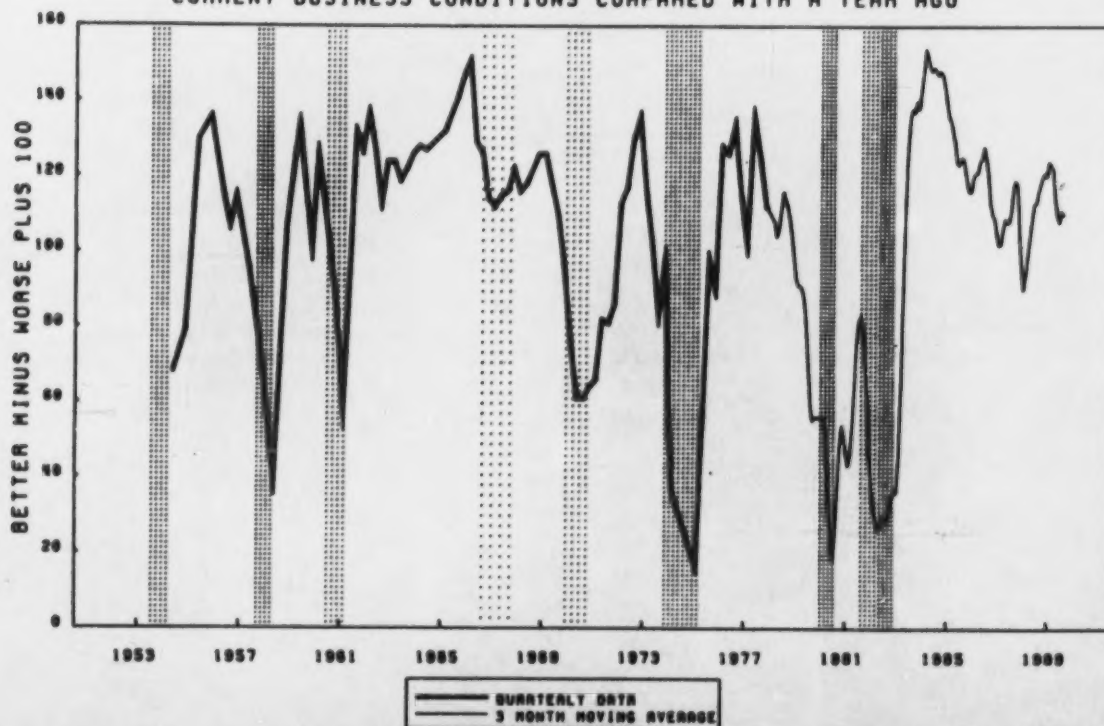


TABLE 12

CURRENT BUSINESS CONDITIONS COMPARED TO A YEAR AGO

	Aug. 1988	Sept 1988	Oct. 1988	Nov. 1988	Dec. 1988	Jan. 1989	Feb. 1989	Mar. 1989	Apr. 1989	May 1989	June 1989	July 1989	Aug. 1989
BETTER NOW	51%	50%	46%	54%	49%	53%	48%	47%	41%	44%	45%	43%	42%
SAME	18	20	21	17	20	19	22	22	18	19	18	22	21
WORSE NOW	28	28	31	28	29	26	26	30	39	34	33	32	35
DK, NA	3	2	2	1	2	2	4	1	2	3	4	3	2
TOTAL	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%
CASES	500	500	501	508	500	501	500	502	500	503	507	501	502

The question was: "Would you say that at the present time business conditions are better or worse than they were a year ago?"

CHART 13 - RECENT CHANGES
EXPECTED CHANGE IN BUSINESS CONDITIONS IN A YEAR

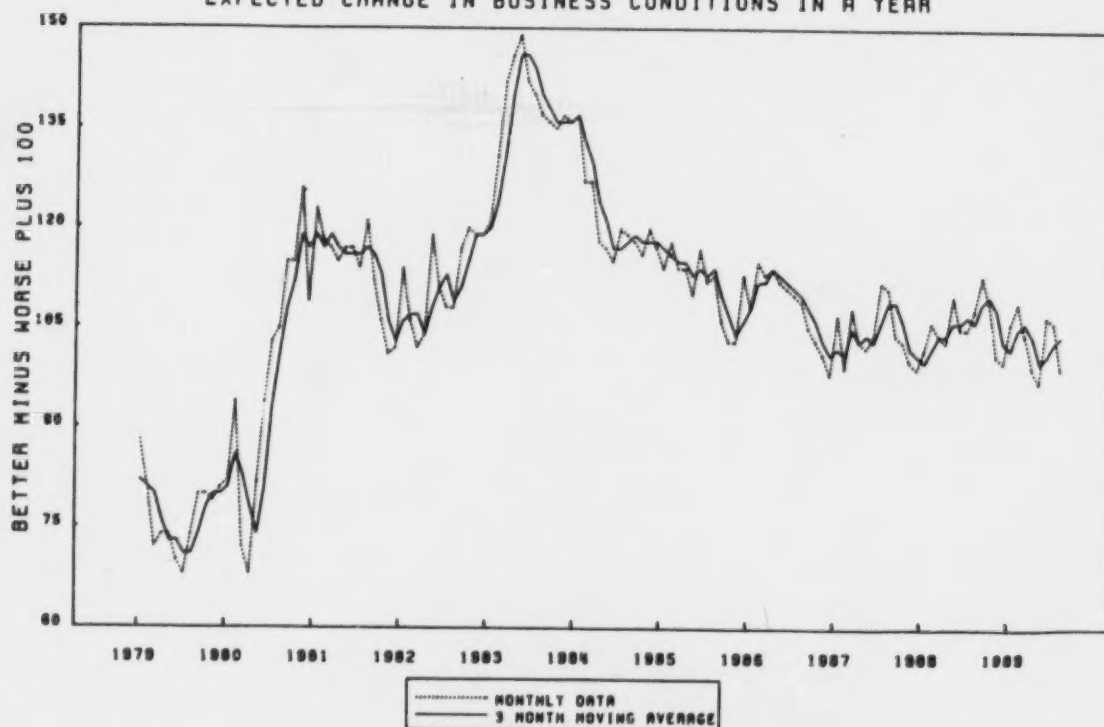


CHART 13 - HISTORICAL SERIES
EXPECTED CHANGE IN BUSINESS CONDITIONS IN A YEAR

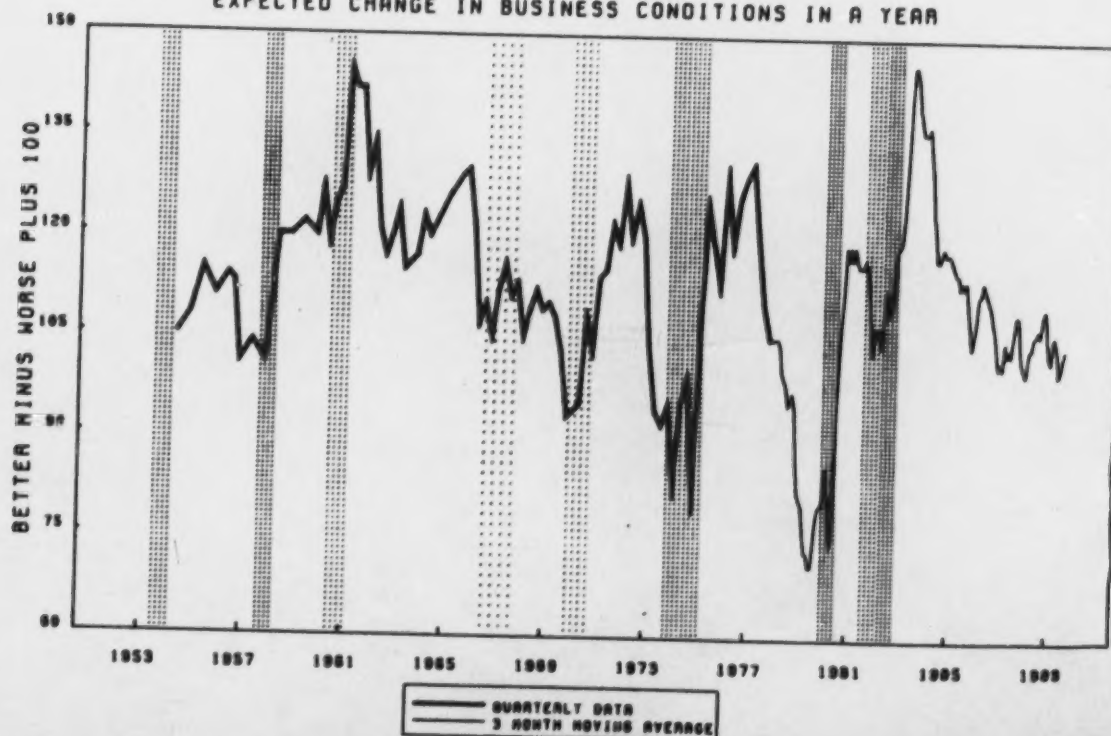


TABLE 13

EXPECTED CHANGE IN BUSINESS CONDITIONS IN A YEAR

	Aug. 1988	Sept 1988	Oct. 1988	Nov. 1988	Dec. 1988	Jan. 1989	Feb. 1989	Mar. 1989	Apr. 1989	May 1989	June 1989	July 1989	Aug. 1989
BETTER	24%	27%	23%	19%	19%	23%	26%	22%	20%	19%	24%	20%	18%
SAME	54	55	59	60	59	56	54	59	57	56	57	63	60
WORSE	16	14	14	18	19	17	17	18	21	22	17	14	19
DK, NA	6	4	4	3	3	4	3	1	2	3	2	3	3
TOTAL	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%
CASES	500	500	501	508	500	501	500	502	500	503	507	501	502

The question was: "And how about a year from now, do you expect that in the country as a whole business conditions will be better, or worse than they are at present, or just about the same?"

CHART 14 - RECENT CHANGES
TREND IN PAST AND EXPECTED BUSINESS CONDITIONS

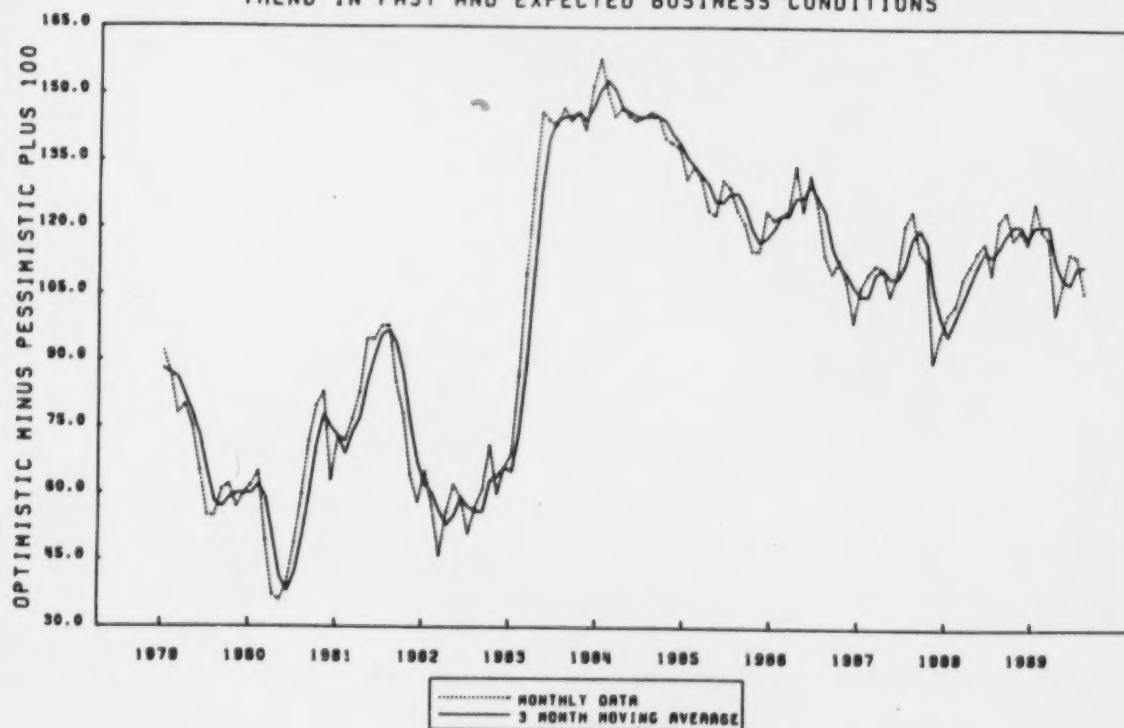


CHART 14 - HISTORICAL SERIES
TREND IN PAST AND EXPECTED BUSINESS CONDITIONS

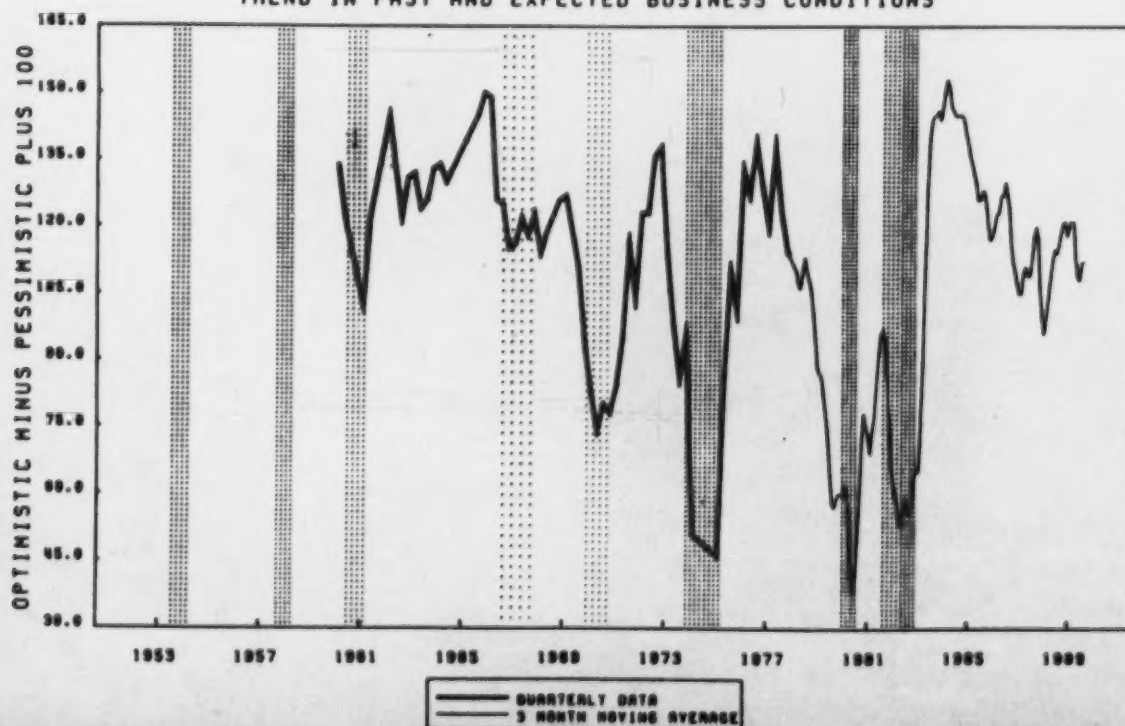


TABLE 14

TREND IN PAST AND EXPECTED CHANGES IN BUSINESS CONDITIONS

	Aug. 1988	Sept 1988	Oct. 1988	Nov. 1988	Dec. 1988	Jan. 1989	Feb. 1989	Mar. 1989	Apr. 1989	May 1989	June 1989	July 1989	Aug. 1989
TREND:													
Continuous increase (a)	18%	18%	15%	13%	10%	16%	18%	12%	14%	13%	15%	14%	11%
Intermittant increase (b)	29	31	31	35	35	34	28	33	24	29	30	30	29
Remain unchanged (c)	11	11	13	10	12	11	13	16	13	12	12	16	14
Intermittant decline (d)	17	19	19	21	19	16	21	16	24	20	18	20	22
Continuous decline (e)	8	6	9	7	9	8	5	11	13	14	12	10	12
Mixed change (f)	8	9	7	10	10	9	10	9	8	7	6	4	7
DK, NA	9	6	6	4	5	6	5	3	4	5	7	6	5
TOTAL	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%
CASES	500	500	501	508	500	501	500	502	500	503	507	501	502

Combination of the responses to the questions on Tables 12 and 13.

Key: (a) Better than a year ago/Better a year from now
 (b) Better/Same or Same/Better
 (c) Same/Same
 (d) Worse/Same or Same/Worse
 (e) Worse/Worse
 (f) Worse/Better or Better/Worse

CHART 15 - RECENT CHANGES
BUSINESS CONDITIONS EXPECTED DURING THE NEXT TWELVE MONTHS

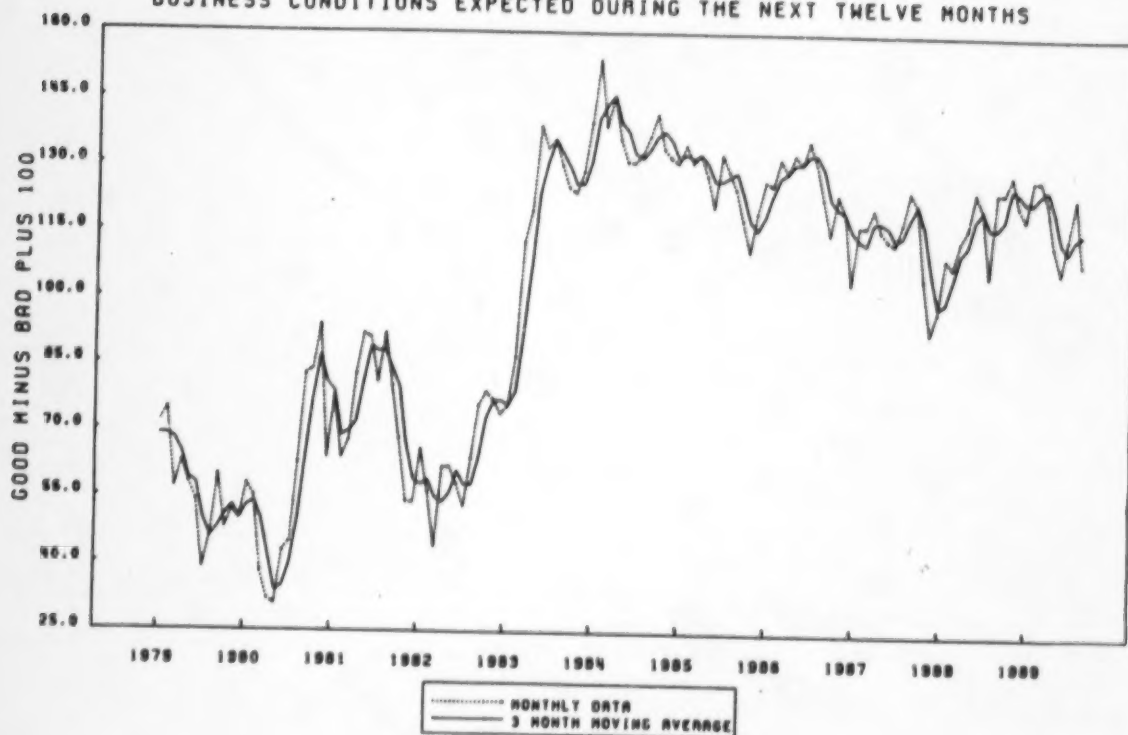


CHART 15 - HISTORICAL SERIES
BUSINESS CONDITIONS EXPECTED DURING THE NEXT TWELVE MONTHS

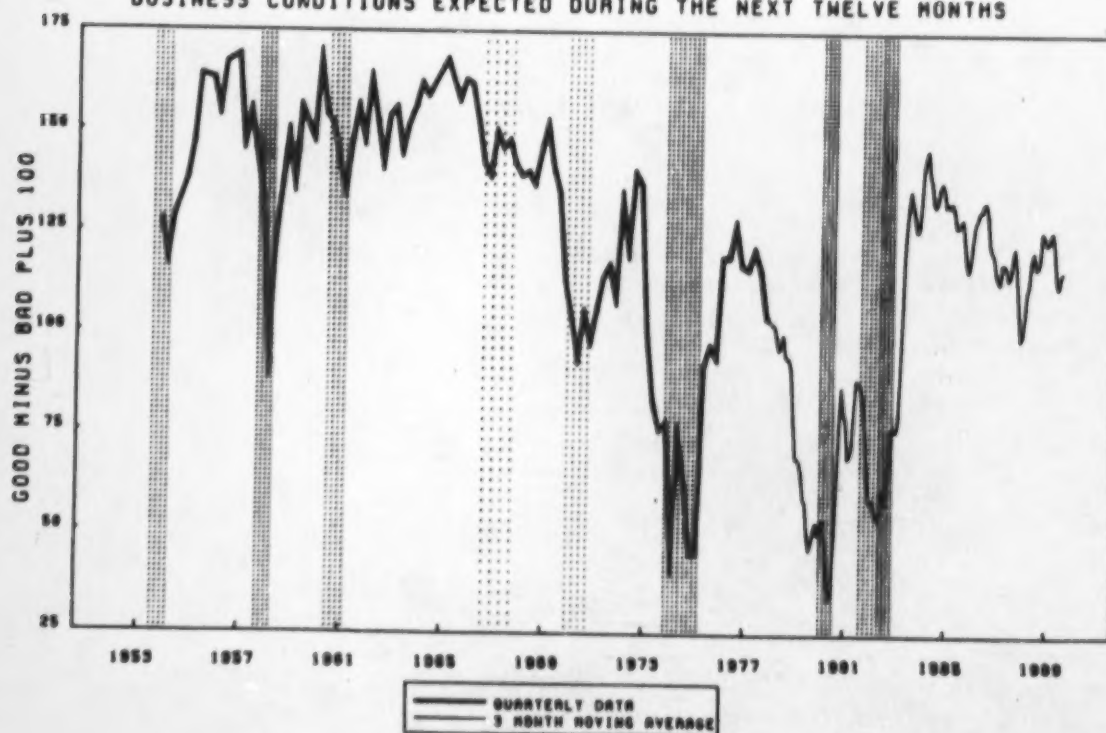


TABLE 15

BUSINESS CONDITIONS EXPECTED DURING THE NEXT 12 MONTHS

	Aug. 1988	Sept 1988	Oct. 1988	Nov. 1988	Dec. 1988	Jan. 1989	Feb. 1989	Mar. 1989	Apr. 1989	May 1989	June 1989	July 1989	Aug. 1989
GOOD TIMES	52%	53%	54%	53%	52%	56%	56%	55%	49%	46%	48%	53%	46%
UNCERTAIN; GOOD & BAD	4	5	7	4	5	4	3	4	3	4	5	4	6
BAD TIMES	27	28	25	31	33	28	28	32	36	39	33	29	37
DON'T KNOW	11	9	8	7	5	7	9	5	6	6	9	7	4
NOT ASCERTAINED	6	5	6	5	5	5	4	4	6	5	5	7	7
TOTAL	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%
CASES	500	500	501	508	500	501	500	502	500	503	507	501	502

The question was: "Now turning to business conditions in the country as a whole--do you think that during the next 12 months we'll have good times financially, or bad times or what?"

CHART 16 - RECENT CHANGES
BUSINESS CONDITIONS EXPECTED FOR THE NEXT FIVE YEARS



CHART 16 - HISTORICAL SERIES
BUSINESS CONDITIONS EXPECTED FOR THE NEXT FIVE YEARS

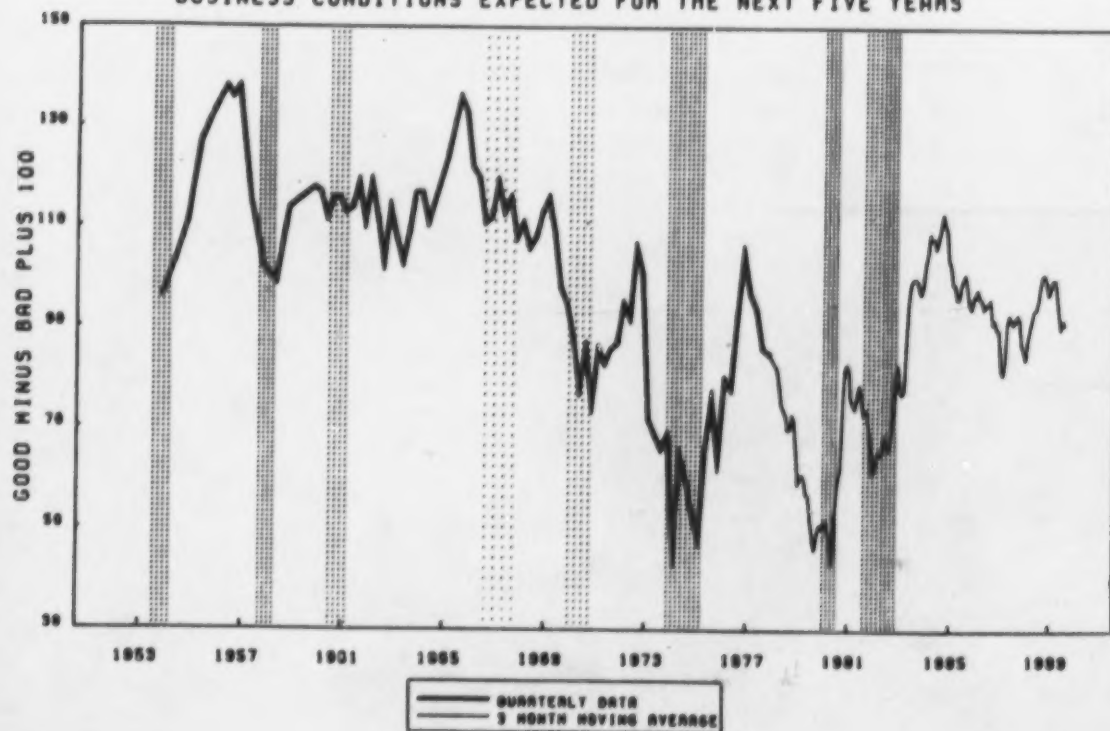


TABLE 16

BUSINESS CONDITIONS EXPECTED DURING THE NEXT FIVE YEARS

	Aug. 1988	Sept 1988	Oct. 1988	Nov. 1988	Dec. 1988	Jan. 1989	Feb. 1989	Mar. 1989	Apr. 1989	May 1989	June 1989	July 1989	Aug. 1989
GOOD TIMES	43%	41%	40%	40%	41%	45%	41%	40%	37%	36%	37%	39%	33%
UNCERTAIN; GOOD & BAD	16	17	12	14	12	9	12	14	13	13	12	13	13
BAD TIMES	38	39	43	43	43	42	42	42	46	47	47	43	45
NOT ASCERTAINED	3	3	5	3	4	4	5	4	4	4	4	5	9
TOTAL	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%
CASES	500	500	501	508	500	501	500	502	500	503	507	501	502

The question was: "Looking ahead, which would you say is more likely--that in the country as a whole we'll have continuous good times during the next 5 years or so, or that we will have periods of widespread unemployment or depression, or what?"

CHART 17 - RECENT CHANGES
EXPECTED CHANGE IN UNEMPLOYMENT

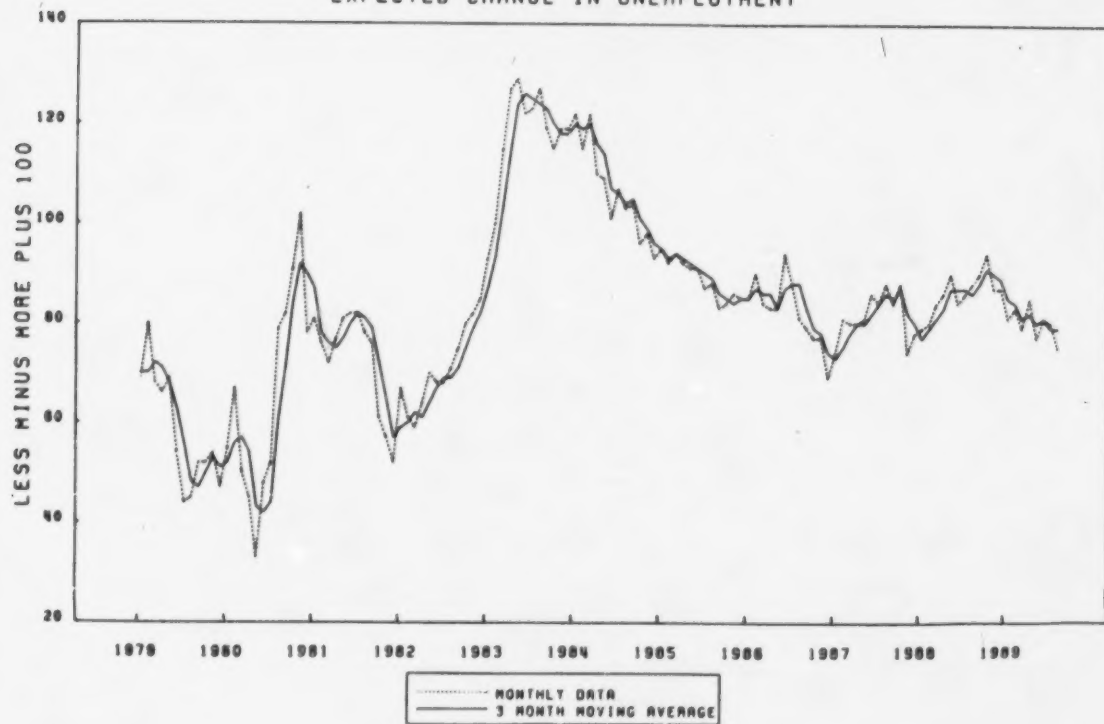


CHART 17 - HISTORICAL SERIES
EXPECTED CHANGE IN UNEMPLOYMENT

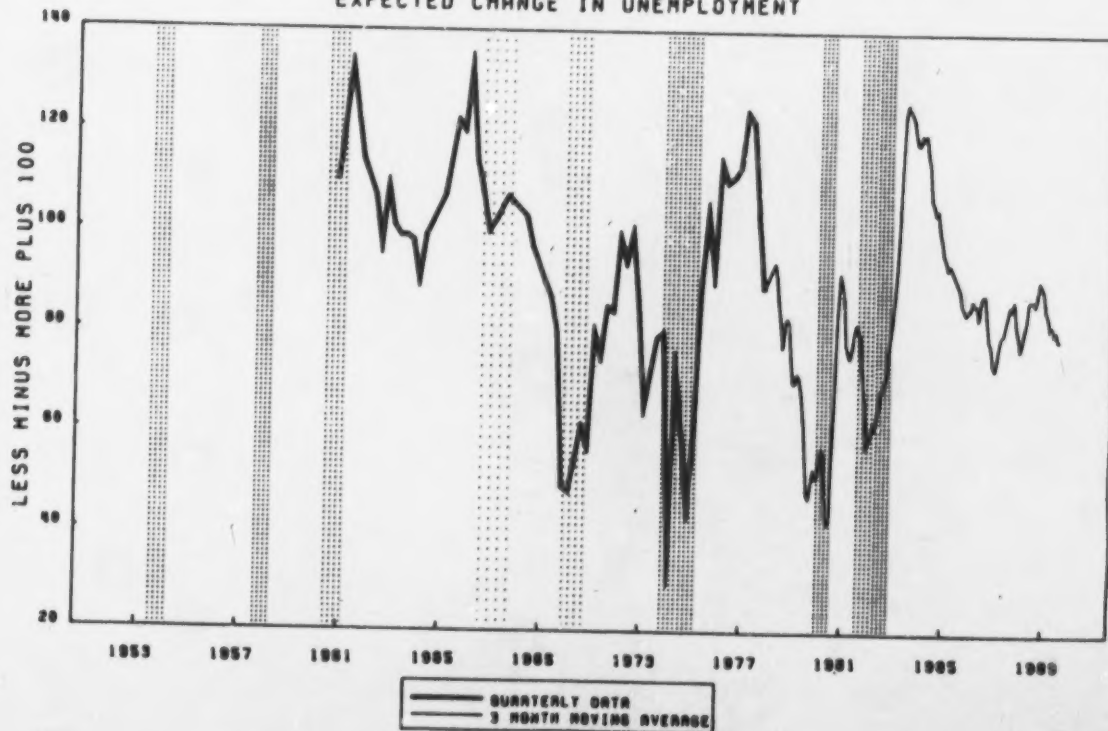


TABLE 17

EXPECTED CHANGE IN UNEMPLOYMENT

	Aug. 1988	Sept 1988	Oct. 1988	Nov. 1988	Dec. 1988	Jan. 1989	Feb. 1989	Mar. 1989	Apr. 1989	May 1989	June 1989	July 1989	Aug. 1989
LESS	15%	17%	16%	14%	15%	15%	13%	12%	14%	12%	10%	11%	10%
SAME	53	52	60	57	55	50	55	53	55	52	59	57	54
MORE	27	27	22	27	28	34	30	33	29	35	29	31	35
DK, NA	5	4	2	2	2	1	2	2	2	1	2	1	1
TOTAL	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%
CASES	500	500	501	508	500	501	500	502	500	503	507	501	502

The question was: "How about people out of work during the coming 12 months--do you think that there will be more unemployment than now, about the same, or less?"

CHART 18 - RECENT CHANGES
EXPECTED CHANGE IN INTEREST RATES

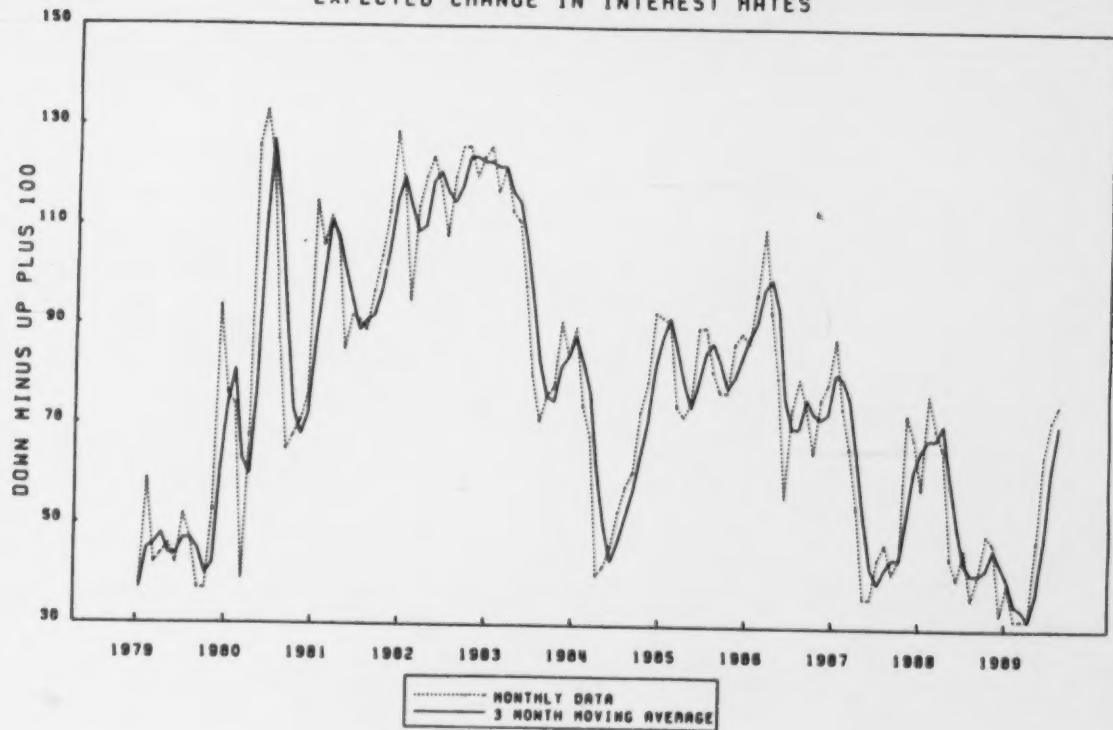


CHART 18 - HISTORICAL SERIES
EXPECTED CHANGE IN INTEREST RATES

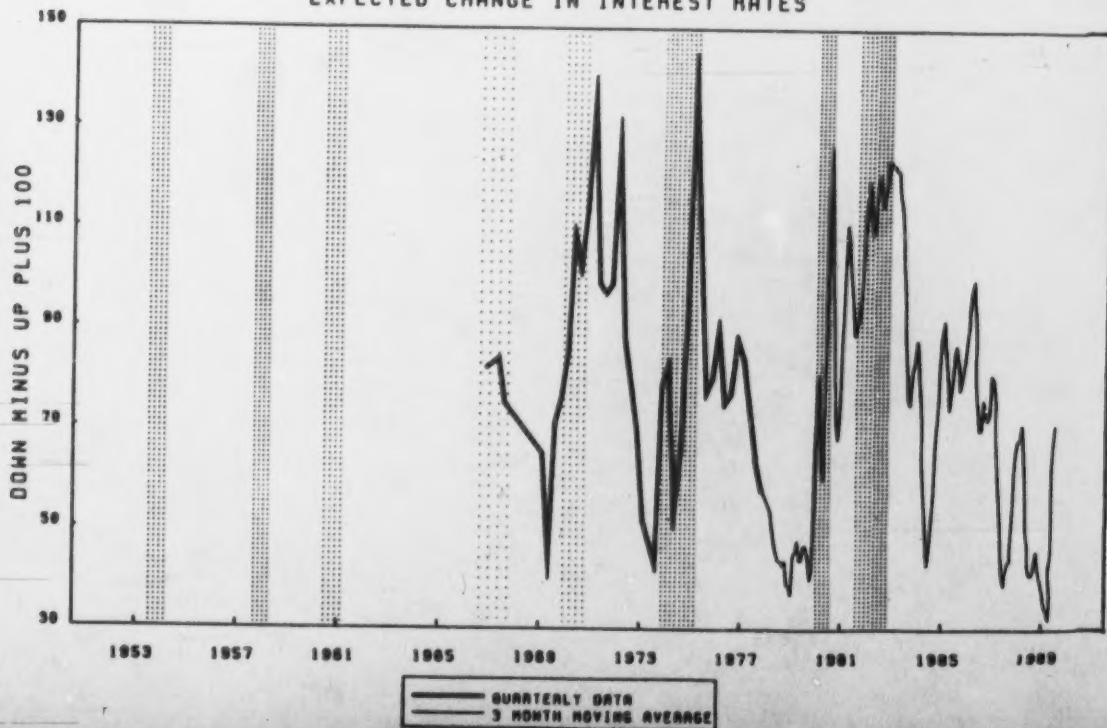


TABLE 18

EXPECTED CHANGE IN INTEREST RATES

	Aug. 1988	Sept 1988	Oct. 1988	Nov. 1988	Dec. 1988	Jan. 1989	Feb. 1989	Mar. 1989	Apr. 1989	May 1989	June 1989	July 1989	Aug. 1989
GO UP	71%	67%	62%	62%	74%	68%	75%	73%	75%	64%	54%	51%	49%
STAY THE SAME	19	21	24	27	16	23	16	20	17	20	24	25	24
GO DOWN	7	8	11	9	7	7	7	5	7	12	19	23	24
DK, NA	3	4	3	2	3	2	2	2	1	4	3	1	3
TOTAL	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%
CASES	500	500	501	508	500	501	500	502	500	503	507	501	502

The question was: "No one can say for sure, but what do you think will happen to interest rates for borrowing money during the next 12 months--will they go up, stay the same, or go down?"

CHART 19 - RECENT CHANGES
MEAN EXPECTED PRICE INCREASE OVER THE NEXT 12 MONTHS



CHART 19 - HISTORICAL SERIES
MEAN EXPECTED PRICE INCREASE OVER THE NEXT 12 MONTHS

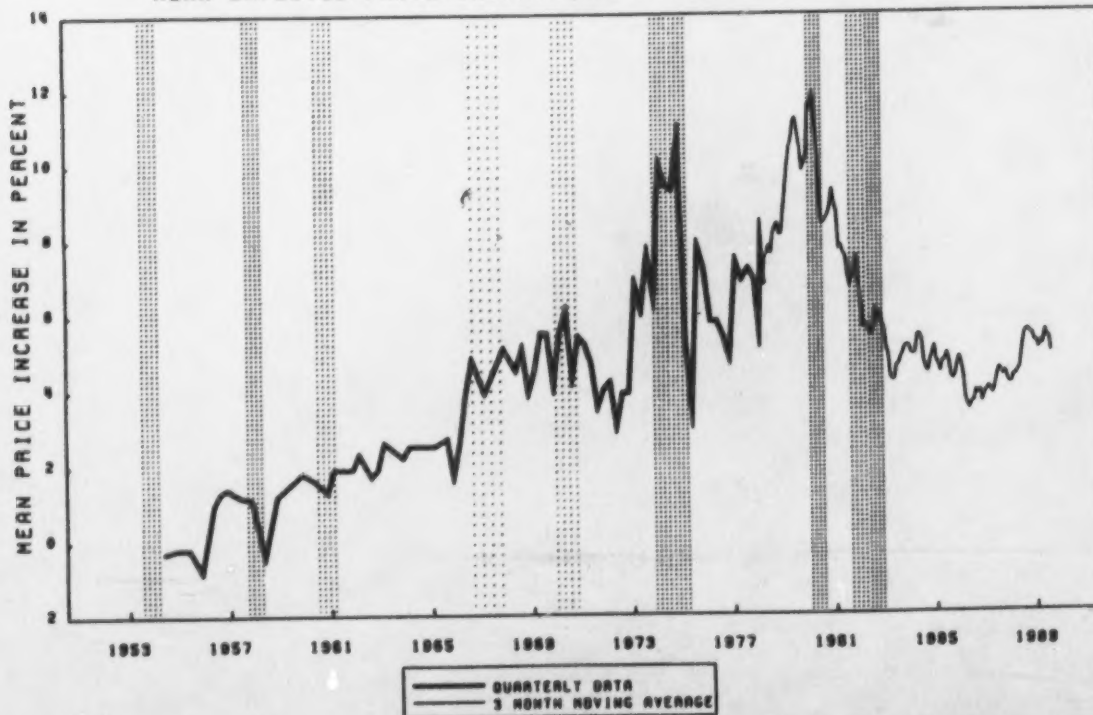


TABLE 19

EXPECTED CHANGE IN PRICES, DURING THE NEXT 12 MONTHS

	Aug. 1988	Sept 1988	Oct. 1988	Nov. 1988	Dec. 1988	Jan. 1989	Feb. 1989	Mar. 1989	Apr. 1989	May 1989	June 1989	July 1989	Aug. 1989
SAME OR DOWN	8%	8%	9%	11%	10%	10%	11%	12%	8%	10%	10%	10%	13%
WILL GO UP BY:													
1-2%	15	16	20	15	16	20	15	18	17	16	18	18	18
3-4%	23	25	21	28	26	23	24	23	23	19	24	21	23
5%	22	21	20	18	20	19	22	17	21	23	19	22	21
6-9%	9	10	8	8	8	9	10	9	10	9	9	9	6
10-14%	8	7	9	9	11	7	8	9	10	11	10	8	9
15% or more	6	6	5	5	4	6	4	7	5	7	5	5	3
DK how much up	8	6	6	5	4	5	5	4	6	4	5	6	6
DK, NA	1	1	2	1	1	1	1	1	*	1	*	1	1
TOTAL	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%
MEAN INCREASE	5.4	5.5	5.2	5.4	5.0	5.1	4.8	5.6	5.0	5.8	5.0	5.1	4.7
VARIANCE	38	52	40	55	32	41	29	64	24	49	34	39	42
CASES	500	500	501	508	500	501	500	502	500	503	507	501	502

The questions were: "During the next 12 months, do you think that prices in general will go up, or go down, or stay where they are now?" and "By about what percent do you expect prices to go up, on the average, during the next 12 months?"

* : Less than half of one percent.

CHART 20 - RECENT CHANGES
OPINIONS ABOUT THE GOVERNMENT'S ECONOMIC POLICY

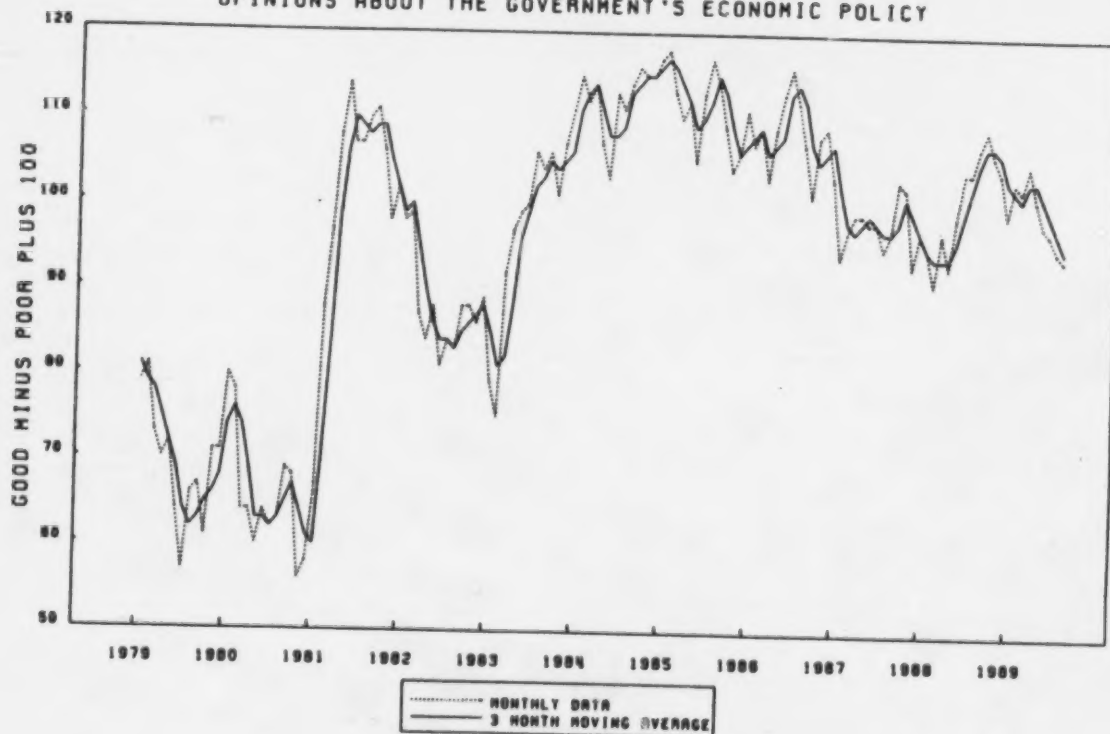


CHART 20 - HISTORICAL SERIES
OPINIONS ABOUT THE GOVERNMENT'S ECONOMIC POLICY

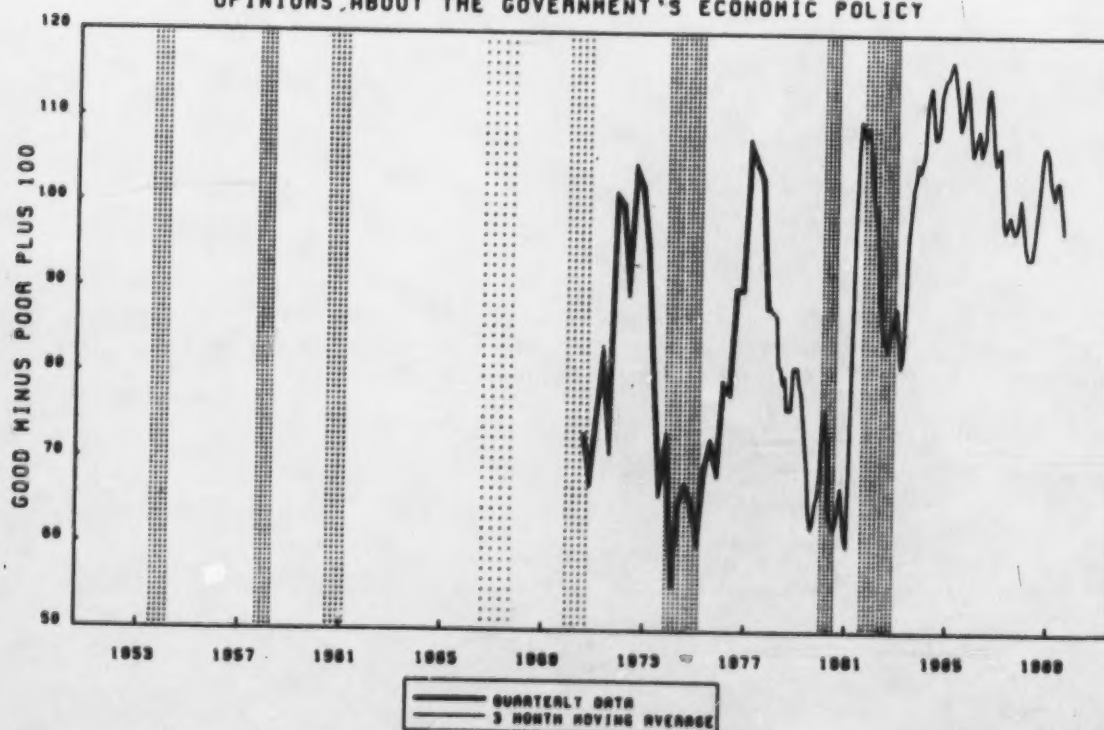


TABLE 20

OPINIONS ABOUT THE GOVERNMENT'S ECONOMIC POLICY

	Aug. 1988	Sept 1988	Oct. 1988	Nov. 1988	Dec. 1988	Jan. 1989	Feb. 1989	Mar. 1989	Apr. 1989	May 1989	June 1989	July 1989	Aug. 1989
A GOOD JOB	28%	29%	26%	27%	20%	27%	23%	25%	19%	19%	20%	18%	18%
ONLY FAIR	48	49	51	49	57	48	51	52	59	57	55	56	56
A POOR JOB	21	20	20	23	21	24	21	20	18	21	23	23	24
DK, NA	3	2	3	1	2	1	5	3	4	3	2	3	2
TOTAL	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%
CASES	500	500	501	508	500	501	500	502	500	503	507	501	502

The question was: "As to the economic policy of the government--I mean steps taken to fight inflation or unemployment--would you say the government is doing a good job, only fair, or a poor job?"

CHART 21 - RECENT CHANGES
BUYING CONDITIONS FOR LARGE HOUSEHOLD GOODS

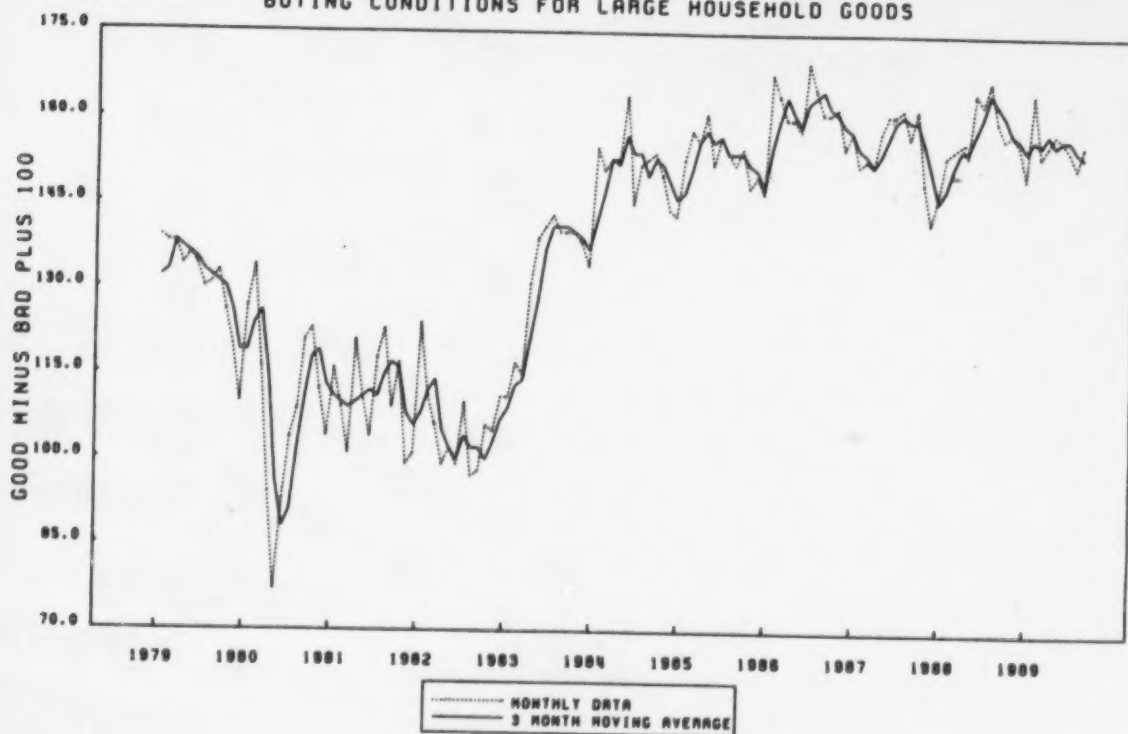


CHART 21 - HISTORICAL SERIES
BUYING CONDITIONS FOR LARGE HOUSEHOLD GOODS

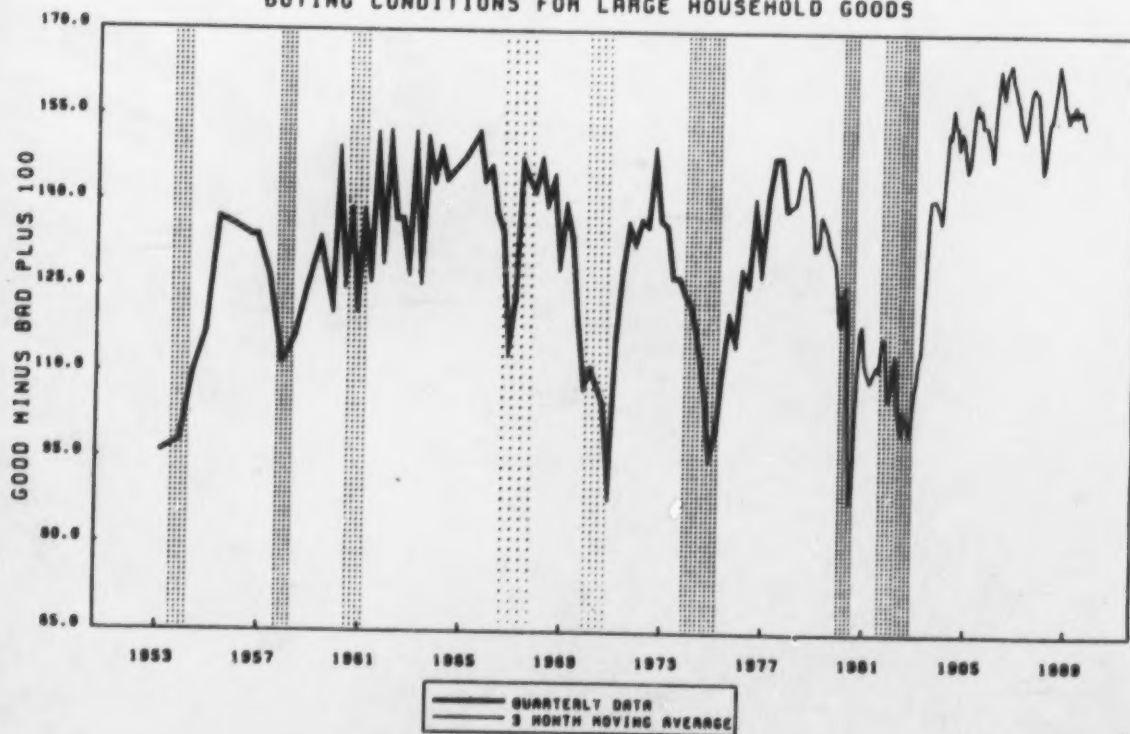


TABLE 21

BUYING CONDITIONS FOR LARGE HOUSEHOLD GOODS

	Aug. 1988	Sept 1988	Oct. 1988	Nov. 1988	Dec. 1988	Jan. 1989	Feb. 1989	Mar. 1989	Apr. 1989	May 1989	June 1989	July 1989	Aug. 1989
GOOD TIME TO BUY	74%	71%	73%	73%	70%	78%	71%	72%	75%	73%	71%	71%	73%
UNCERTAIN, DEPENDS	12	15	12	10	10	9	12	12	8	11	13	10	10
BAD TIME TO BUY	14	14	15	17	20	13	17	16	17	16	16	19	17
TOTAL	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%
CASES	500	500	501	508	500	501	500	502	500	503	507	501	502

The question was: "About the big things people buy for their homes—such as furniture, a refrigerator, stove, television, and things like that. Generally speaking, do you think now is a good or a bad time for people to buy major household items?"

CHART 22A - HISTORICAL SERIES
REASONS FOR OPINIONS ABOUT BUYING CONDITIONS FOR DURABLES

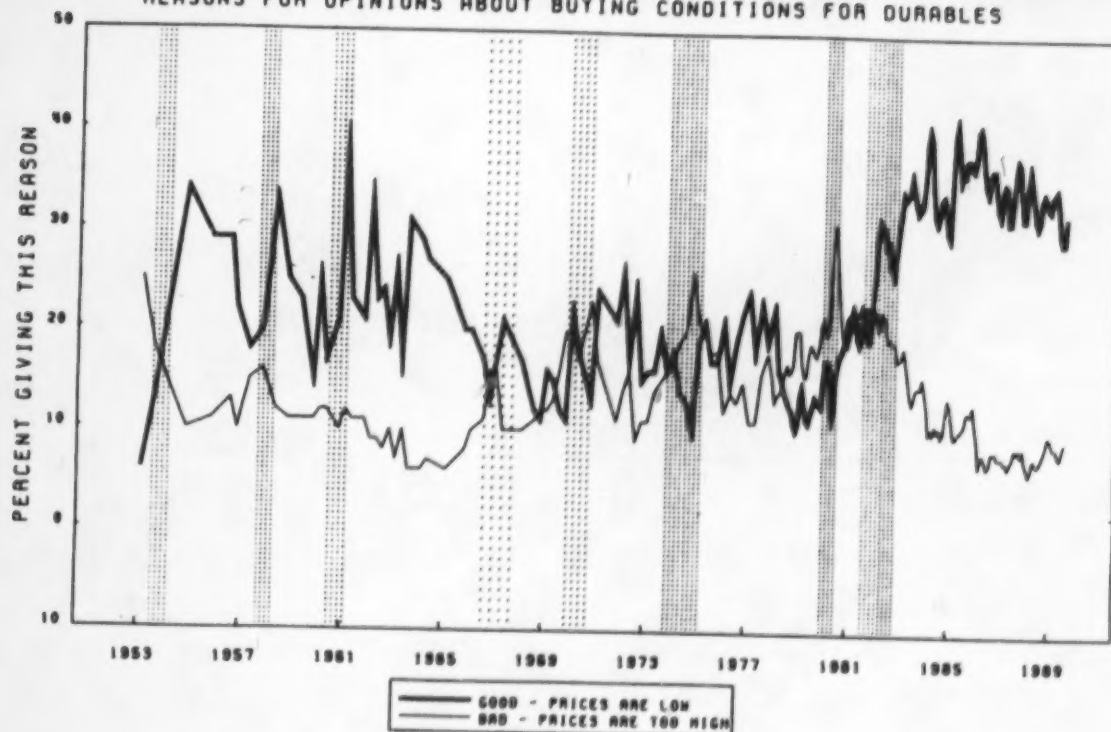


CHART 22B - HISTORICAL SERIES
REASONS FOR OPINIONS ABOUT BUYING CONDITIONS FOR DURABLES

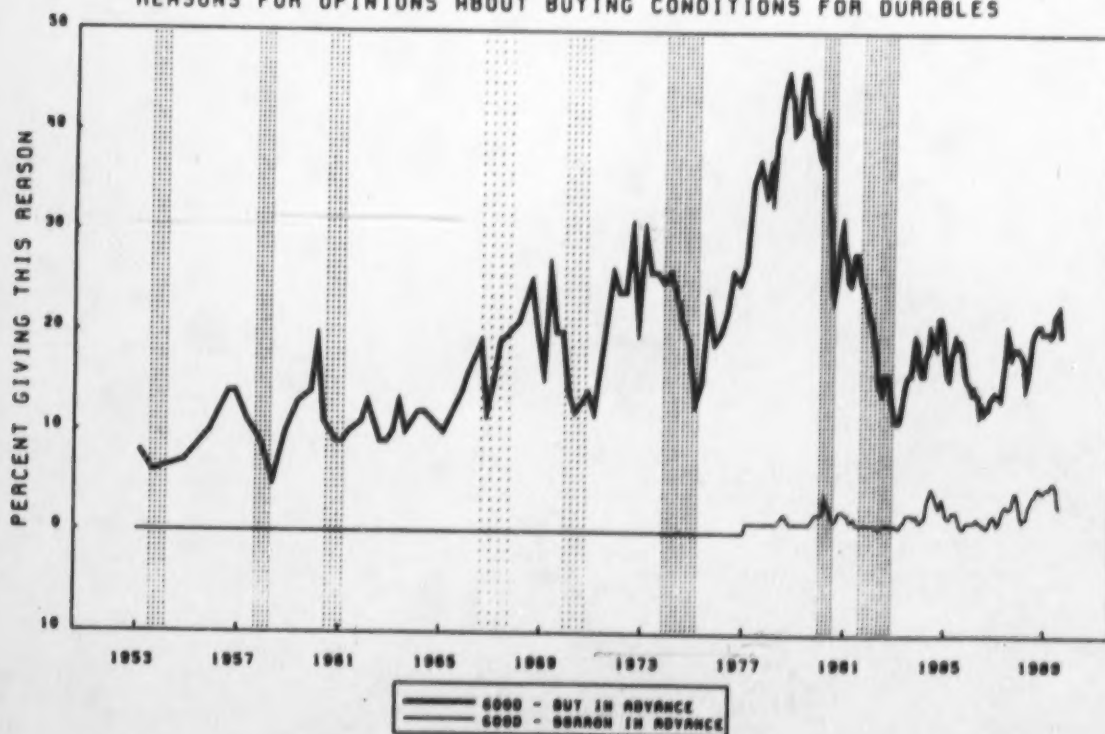


TABLE 22

SELECTED REASONS FOR OPINIONS ABOUT BUYING CONDITIONS FOR LARGE HOUSEHOLD GOODS +

	Aug. 1988	Sept 1988	Oct. 1988	Nov. 1988	Dec. 1988	Jan. 1989	Feb. 1989	Mar. 1989	Apr. 1989	May 1989	June 1989	July 1989	Aug. 1989
GOOD TIME TO BUY:													
Prices are low; good buys available	36%	33%	32%	34%	32%	36%	35%	33%	31%	27%	30%	31%	35%
Prices won't come down; are going higher	21	21	21	19	21	21	19	20	22	24	21	23	16
Interest rates are low	7	7	7	8	4	5	4	6	4	5	5	7	7
Borrow-in-advance of rising interest rates	5	5	4	4	5	5	4	5	7	4	3	2	3
Times are good; prosperity	7	5	8	5	7	7	9	7	8	6	6	5	2
BAD TIME TO BUY:													
Prices are high	9	8	8	11	11	7	9	10	7	7	9	10	9
Interest rates are high; credit is tight	3	3	4	3	5	2	5	5	8	5	6	4	4
Times are bad; can't afford to buy	3	2	4	3	3	4	5	4	4	4	3	3	2
Bad times ahead; uncertain future	3	3	2	1	3	3	3	1	2	3	3	3	3

Responses to the query: "Why do you say so?" following the question on Table 21.
 + : May add to more than 100% due to multiple mentions.

CHART 22C - HISTORICAL SERIES
 REASONS FOR OPINIONS ABOUT BUYING CONDITIONS FOR DURABLES

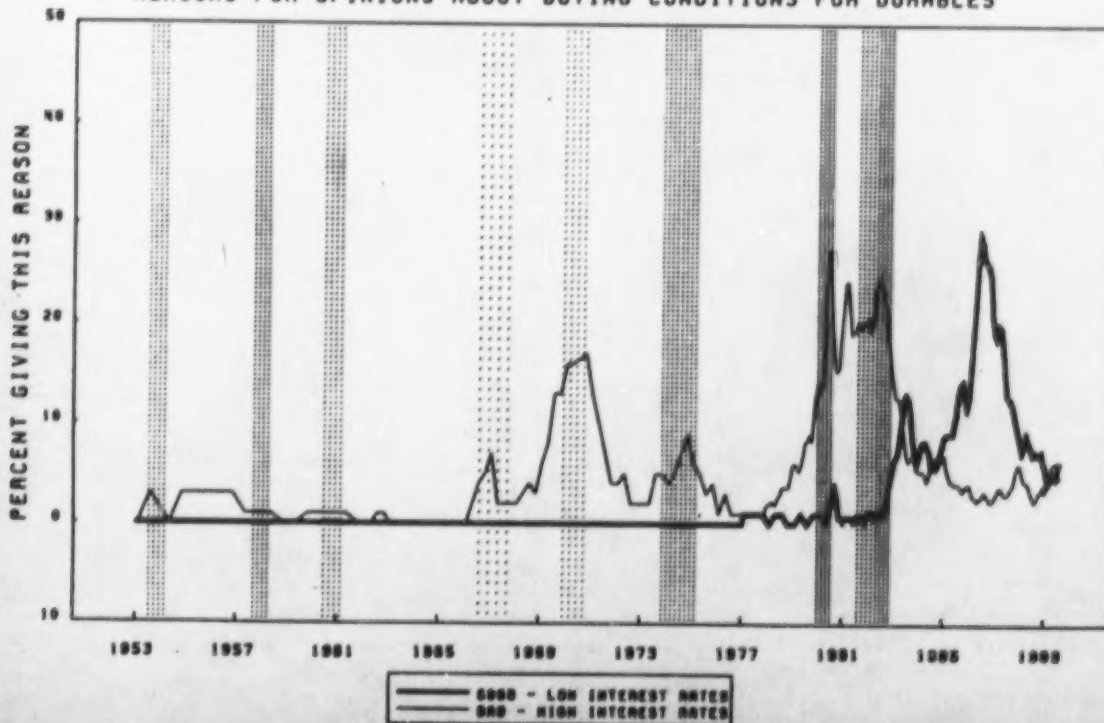


CHART 23 - RECENT CHANGES
BUYING CONDITIONS FOR HOUSES

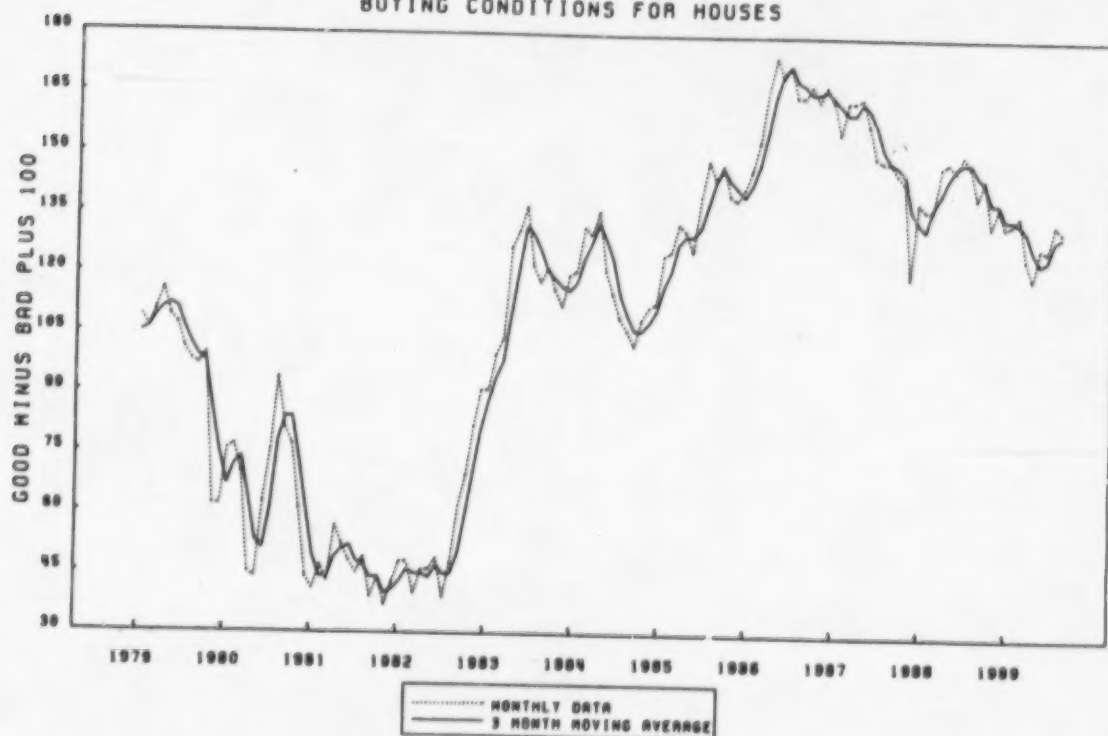


CHART 23 - HISTORICAL SERIES
BUYING CONDITIONS FOR HOUSES

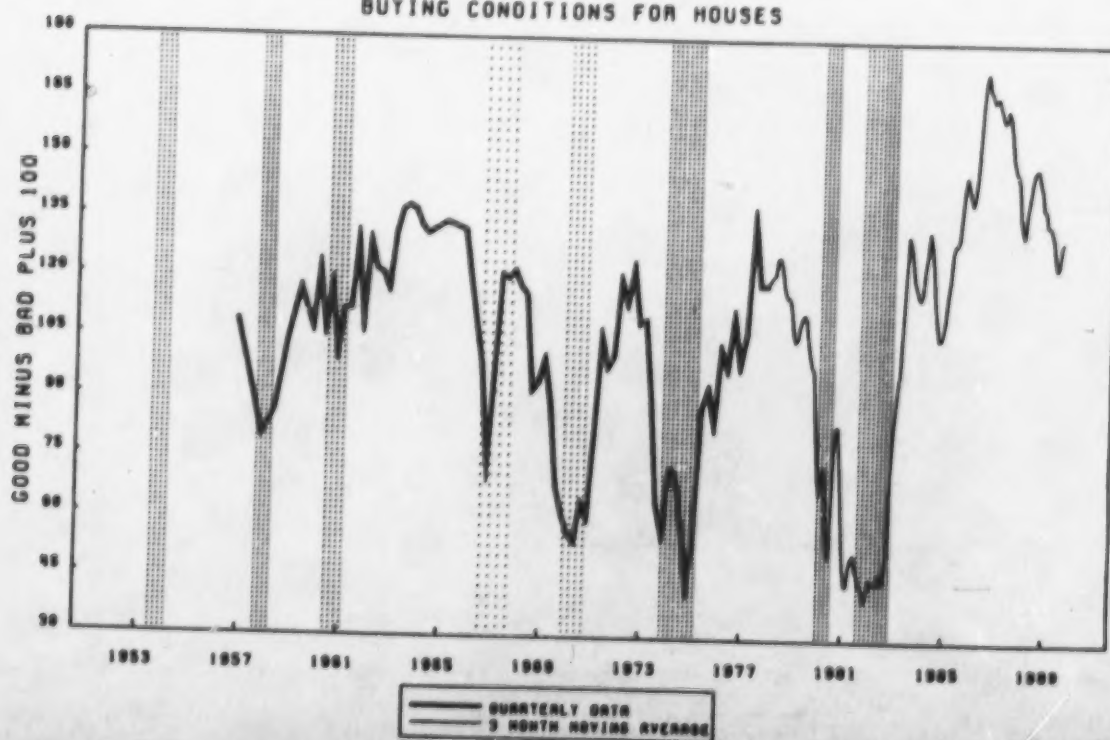


TABLE 23

BUYING CONDITIONS FOR HOUSES

	Aug. 1988	Sept 1988	Oct. 1988	Nov. 1988	Dec. 1988	Jan. 1989	Feb. 1989	Mar. 1989	Apr. 1989	May 1989	June 1989	July 1989	Aug. 1989
GOOD TIME TO BUY	67%	70%	64%	67%	63%	64%	64%	60%	58%	61%	61%	64%	64%
UNCERTAIN, DEPENDS	6	5	5	4	7	6	8	5	4	6	5	6	4
BAD TIME TO BUY	27	25	31	29	30	30	28	35	38	33	34	30	32
TOTAL	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%
CASES	500	500	501	508	500	501	500	502	500	503	507	501	502

The question was: "Generally speaking, do you think now is a good time or a bad time to buy a house?"

CHART 24A - HISTORICAL SERIES
REASONS FOR OPINIONS ABOUT BUYING CONDITIONS FOR HOUSES

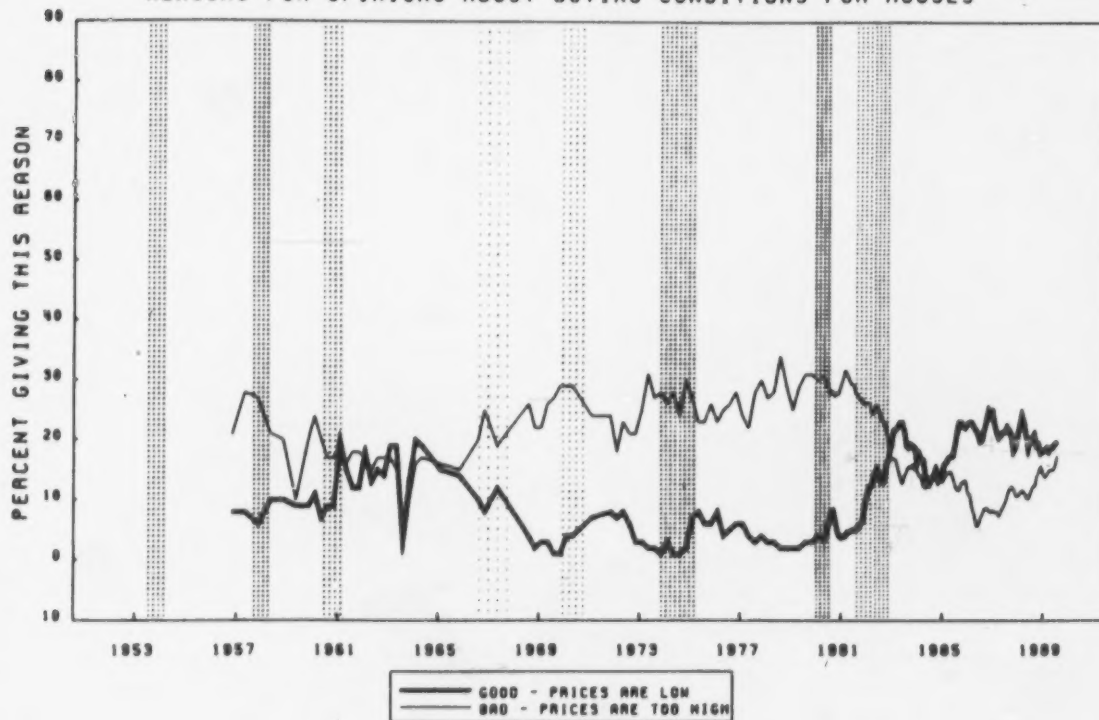


CHART 24B - HISTORICAL SERIES
REASONS FOR OPINIONS ABOUT BUYING CONDITIONS FOR HOUSES

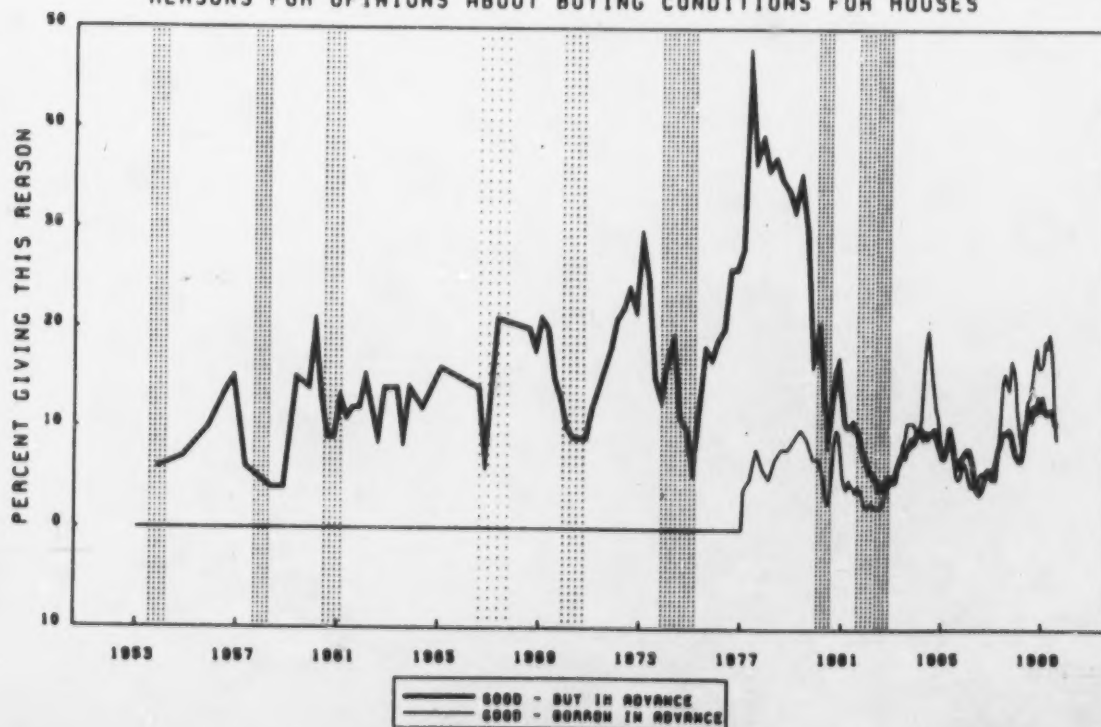


TABLE 24

SELECTED REASONS FOR OPINIONS ABOUT BUYING CONDITIONS FOR HOUSES +

	Aug. 1988	Sept 1988	Oct. 1988	Nov. 1988	Dec. 1988	Jan. 1989	Feb. 1989	Mar. 1989	Apr. 1989	May 1989	June 1989	July 1989	Aug. 1989
GOOD TIME TO BUY:													
Prices are low; good buys available	18%	21%	18%	19%	16%	19%	20%	17%	17%	22%	17%	19%	23%
Prices won't come down; are going higher	10	15	11	13	13	13	10	12	13	11	12	9	11
Interest rates are low	28	22	25	33	19	22	20	17	16	16	22	27	28
Borrow-in-advance of rising interest rates	19	21	15	13	21	16	20	19	20	15	11	8	8
Good investment	9	9	9	10	8	7	7	9	6	8	9	8	6
Times are good; prosperity	5	4	4	3	3	4	5	2	4	4	3	5	3
BAD TIME TO BUY:													
Prices are high	13	11	18	15	14	14	13	16	16	13	16	18	18
Interest rates are high; credit is tight	14	14	16	12	18	16	12	24	28	25	23	15	15
Times are bad; can't afford to buy	4	4	5	6	3	5	6	7	7	6	5	6	6
Bad times ahead; uncertain future	3	2	3	3	5	4	3	3	4	3	2	2	2

Responses to the query: "Why do you say so?" following the question on Table 23.
 + : May add to more than 100% due to multiple mentions.

CHART 24C - HISTORICAL SERIES
 REASONS FOR OPINIONS ABOUT BUYING CONDITIONS FOR HOUSES

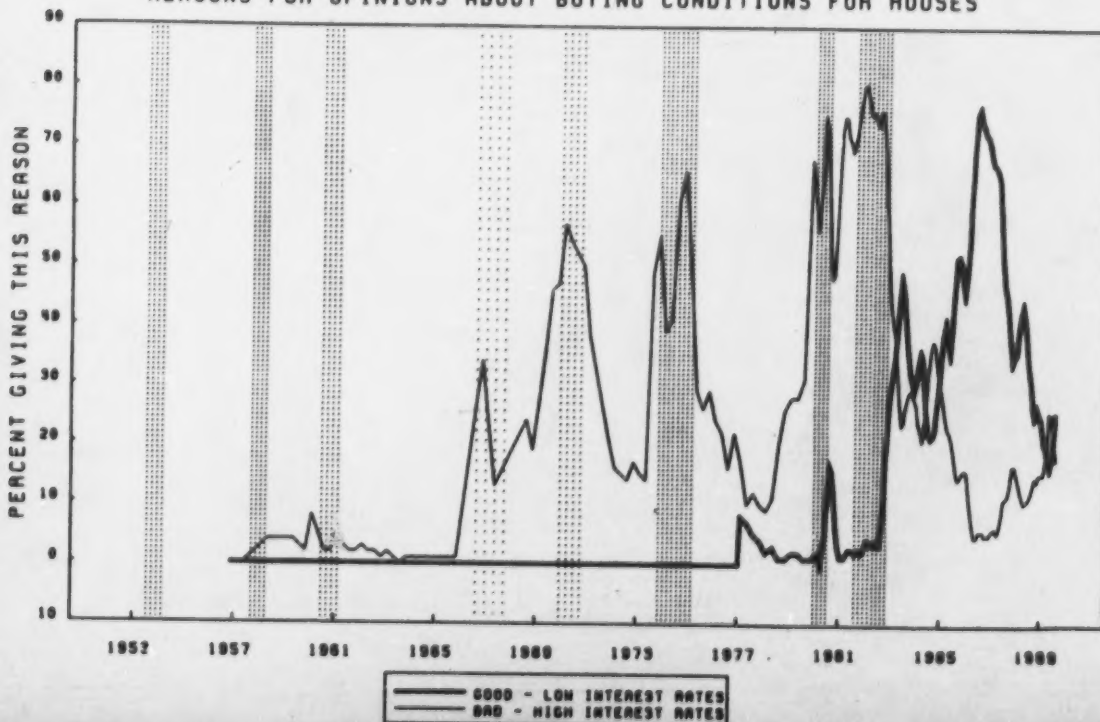


CHART 25 - RECENT CHANGES
BUYING CONDITIONS FOR CARS

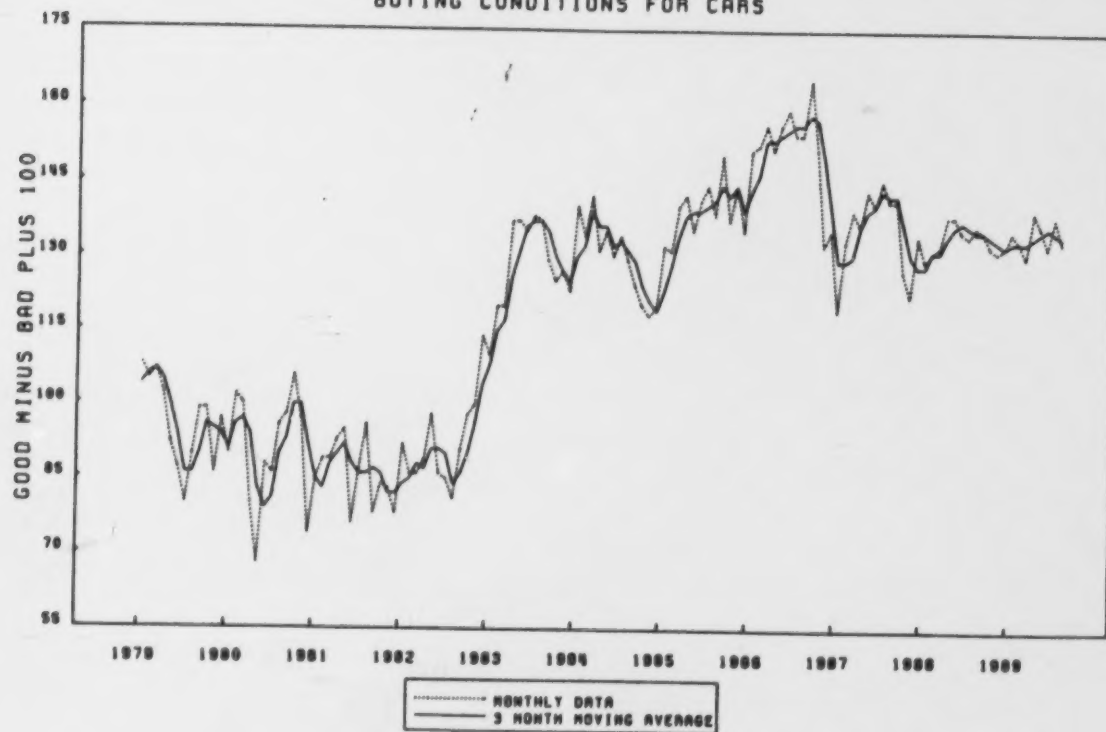


CHART 25 - HISTORICAL SERIES
BUYING CONDITIONS FOR CARS

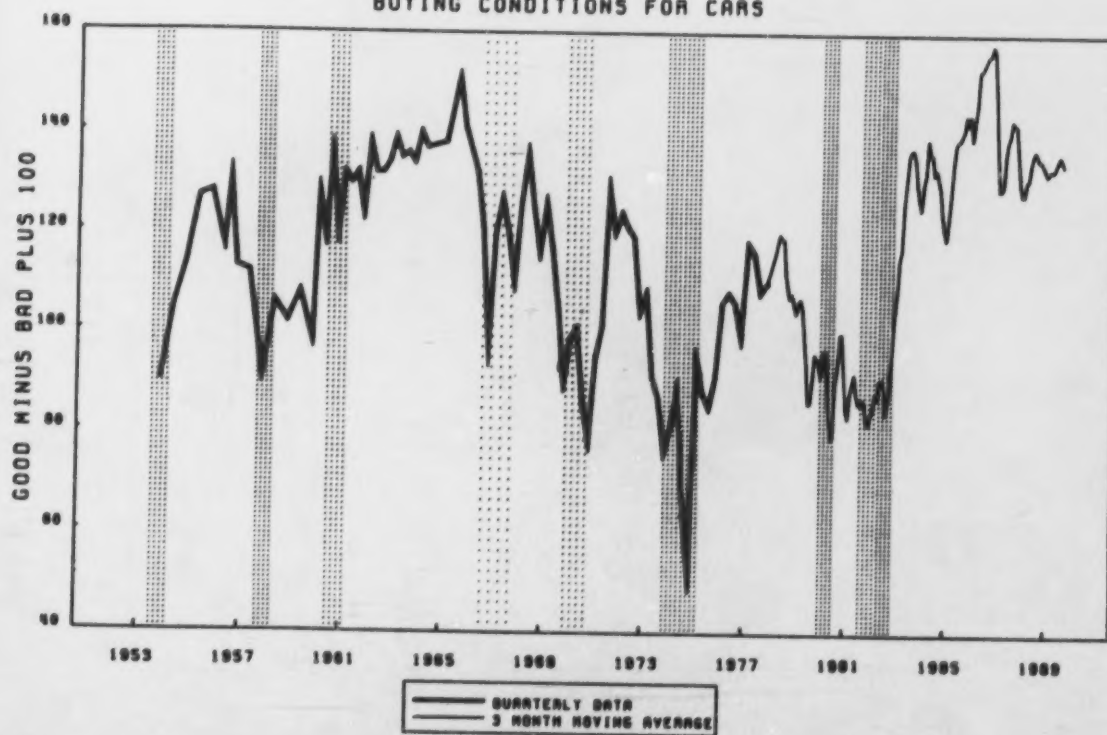


TABLE 25

BUYING CONDITIONS FOR CARS

	Aug. 1988	Sept 1988	Oct. 1988	Nov. 1988	Dec. 1988	Jan. 1989	Feb. 1989	Mar. 1989	Apr. 1989	May 1989	June 1989	July 1989	Aug. 1989
GOOD TIME TO BUY	62%	61%	60%	61%	61%	62%	61%	61%	65%	63%	61%	64%	61%
UNCERTAIN; DEPENDS	12	13	12	9	10	11	11	8	9	10	10	10	11
BAD TIME TO BUY	26	26	28	30	29	27	28	31	26	27	29	26	28
TOTAL	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%
CASES	500	500	501	508	500	501	500	502	500	503	507	501	502

The question was: "Speaking now of the automobile market--do you think the next 12 months or so will be a good time or a bad time to buy a car?"

CHART 26A - HISTORICAL SERIES
REASONS FOR OPINIONS ABOUT BUYING CONDITIONS FOR CARS

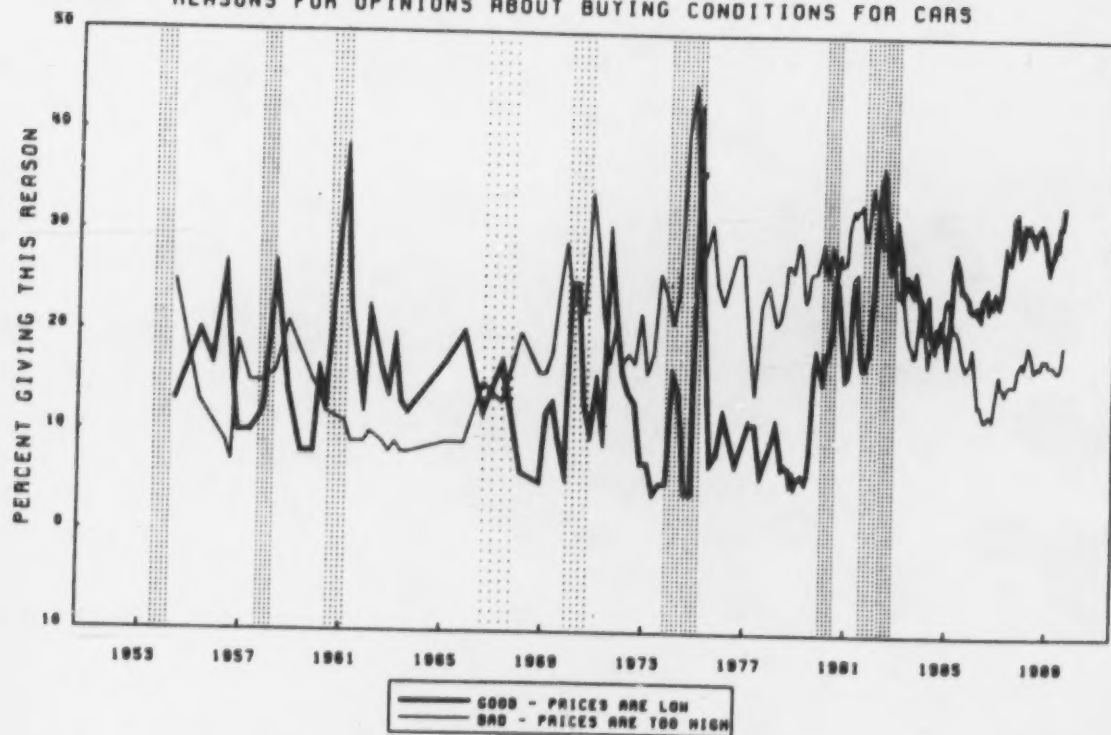


CHART 26B - HISTORICAL SERIES
REASONS FOR OPINIONS ABOUT BUYING CONDITIONS FOR CARS

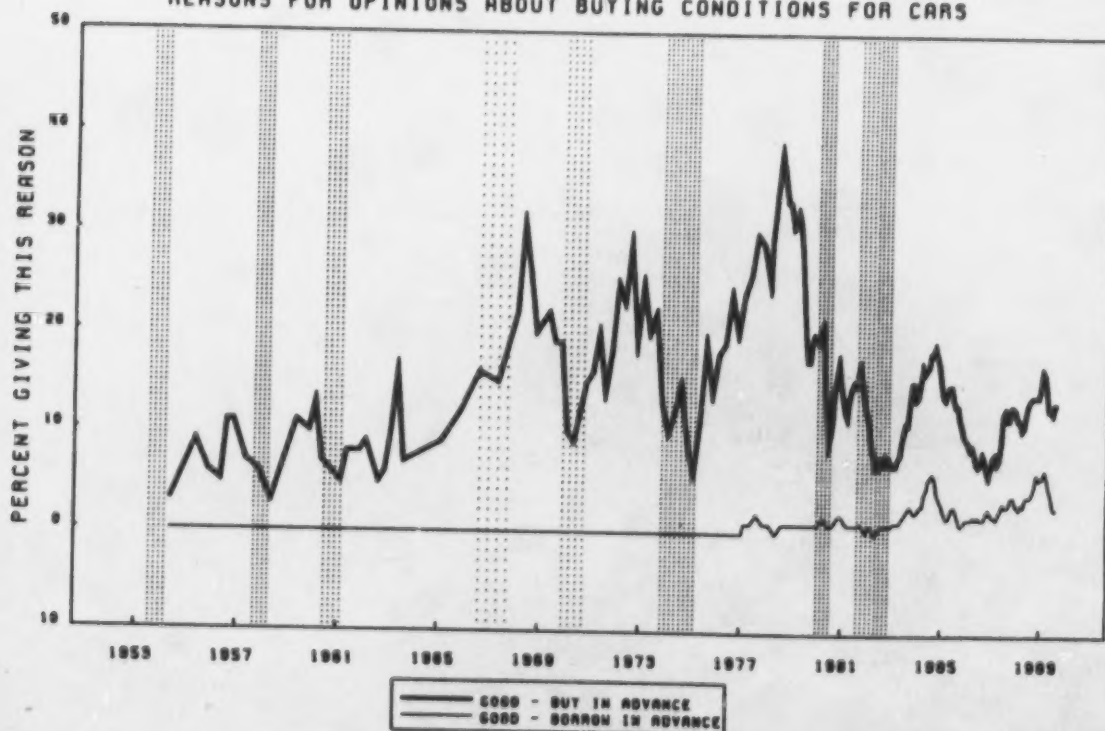


TABLE 26

SELECTED REASONS FOR OPINIONS ABOUT BUYING CONDITIONS FOR CARS +

	Aug. 1988	Sept 1988	Oct. 1988	Nov. 1988	Dec. 1988	Jan. 1989	Feb. 1989	Mar. 1989	Apr. 1989	May 1989	June 1989	July 1989	Aug. 1989
--	--------------	--------------	--------------	--------------	--------------	--------------	--------------	--------------	--------------	-------------	--------------	--------------	--------------

GOOD TIME TO BUY:

Prices are low;

good buys available

Prices won't come

down; are going higher

Interest rates are low

Borrow-in-advance of

rising interest rates

Times are good;

prosperity

30%	31%	31%	27%	26%	28%	30%	27%	32%	29%	33%	32%	35%
15	14	13	15	17	18	14	12	12	14	11	15	14
16	14	12	14	11	11	15	15	25	23	21	19	18
6	6	7	4	7	7	6	5	4	4	2	2	4
4	4	4	4	4	5	4	3	3	3	2	3	2

BAD TIME TO BUY:

Prices are high

Interest rates are

high; credit is tight

Times are bad;

can't afford to buy

Bad times ahead;

uncertain future

Poor selection;

quality

18	17	19	17	18	17	17	18	16	16	18	18	22
6	9	8	7	9	7	6	13	9	6	7	4	7
4	2	3	2	4	2	4	2	3	4	3	2	2
2	2	1	2	3	1	1	2	3	2	1	1	2
2	3	5	3	2	4	3	3	2	3	2	3	2

Responses to the query: "Why do you say so?" following the question on Table 25.
+ : May add to more than 100% due to multiple mentions.

CHART 26C - HISTORICAL SERIES
REASONS FOR OPINIONS ABOUT BUYING CONDITIONS FOR CARS

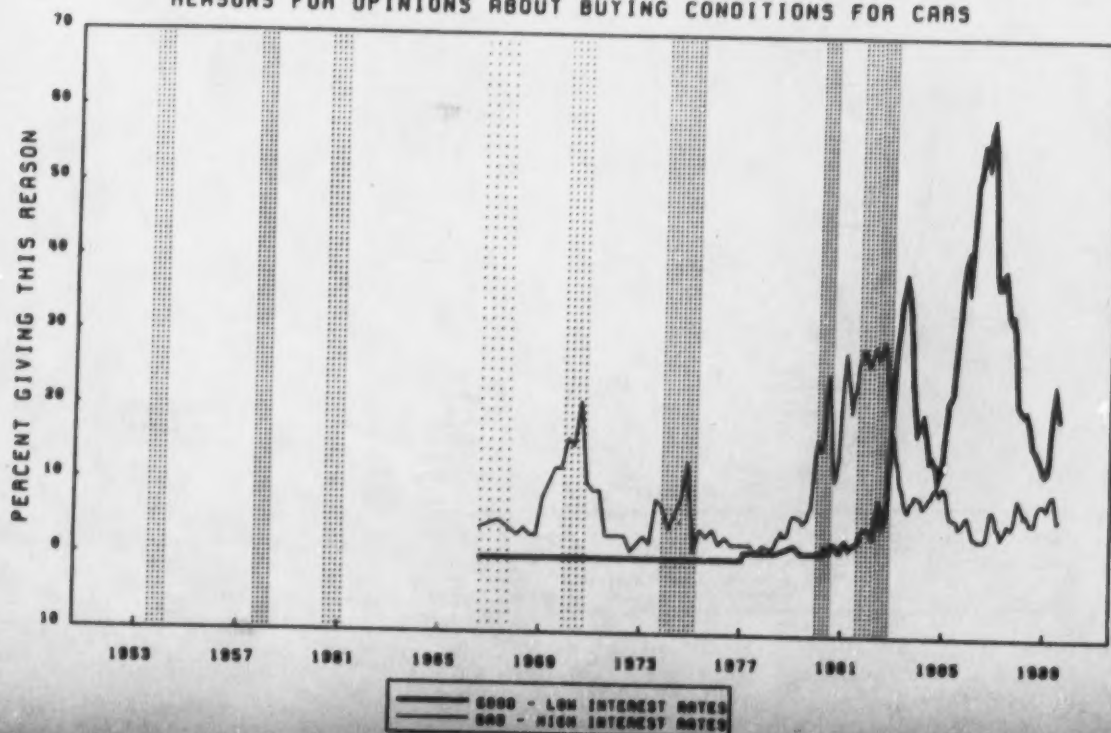
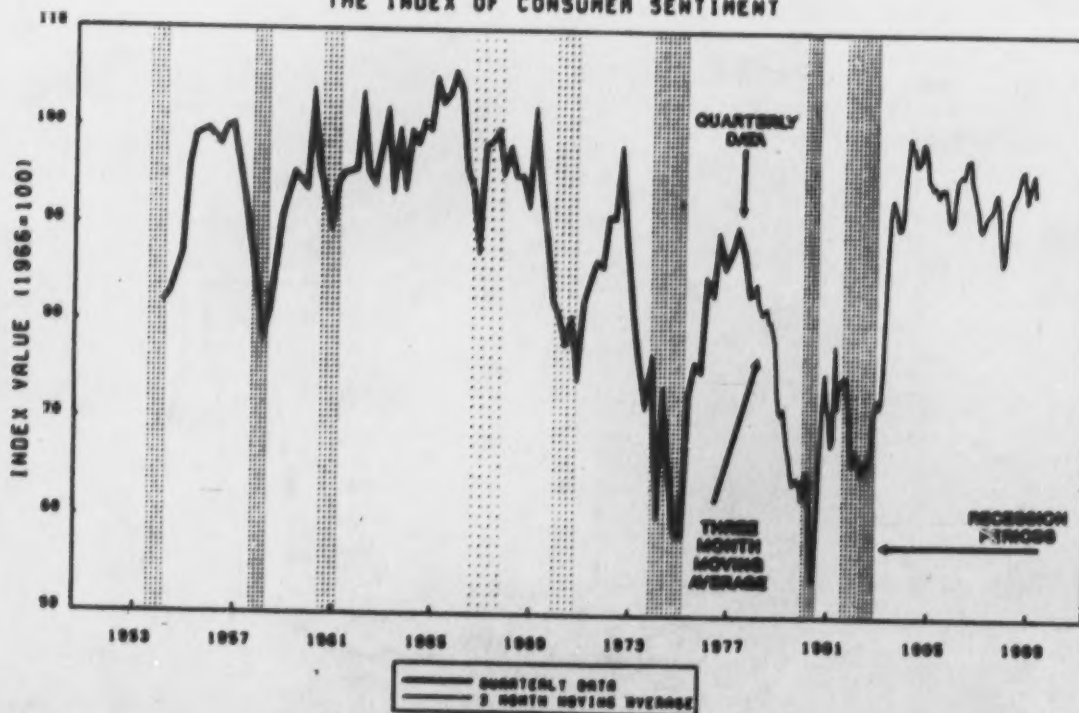


CHART 1 - RECENT CHANGES
THE INDEX OF CONSUMER SENTIMENT



CHART 1 - HISTORICAL SERIES
THE INDEX OF CONSUMER SENTIMENT



DESCRIPTION OF CHARTS

DATA POINTS

QUARTERLY DATA: Data collected by surveys conducted at three month intervals before 1978.

MONTHLY DATA: Data collected by surveys conducted each month since January of 1978.

THREE-MONTH MOVING AVERAGE: Each point plotted represents the average of the three monthly observations ending at the date plotted.

TIME SCALE

Each tic mark on the time scale represents the month of January for the indicated year.

RECESSION PERIODS

November	1948 - October	1949
July	1953 - May	1954
August	1957 - April	1958
April	1960 - February	1961
June	1968 - November	1967*
December	1969 - November	1970
November	1973 - March	1975
January	1980 - July	1980
July	1981 - November	1982

Recession dates are determined by the National Bureau of Economic Research.

RECESSION PERIOD: Reduction in the national output of goods and services, generally lasting at least two quarters

***GROWTH RECESSION:** Retardation in the rate of growth of output and employment (usually followed by a recession and always the initial stage of a recession).

RECOMMENDED ALLOWANCE FOR SAMPLING ERROR OF A PERCENTAGE
(Sampling Error Allowance in Percentage Points¹)

For Estimated Percentage Near	Number of Interviews											
	100	200	300	400	500	750	1000	1250	1500	2000	2500	3000
1% or 99%	2.2	1.6	1.3	1.1	1.0	0.8	0.7	0.6	0.6	0.5	0.4	0.4
5% or 95%	4.9	3.5	2.8	2.4	2.2	1.8	1.5	1.4	1.3	1.1	1.0	0.9
10% or 90%	6.7	4.8	3.9	3.4	3.0	2.4	2.1	1.9	1.7	1.5	1.3	1.2
20% or 80%	9.0	6.3	5.2	4.5	4.0	3.3	2.8	2.5	2.3	2.0	1.8	1.6
30% or 70%	10.3	7.3	5.9	5.1	4.6	3.7	3.2	2.9	2.6	2.3	2.0	1.9
40% or 60%	11.0	7.8	6.3	5.5	4.9	4.0	3.5	3.1	2.8	2.4	2.2	2.0
50%	11.2	7.9	6.5	5.6	5.0	4.1	3.5	3.2	2.9	2.5	2.2	2.0

¹The figures in this table represent two standard errors. Hence, the chances are 95 in 100 that the true percentage lies within a range equal to the observed percentage, plus or minus the sampling error.

September 1989 Monthly Survey

October 6, 1989

Surveys of Consumers

Richard T. Curtin, *Director*

Surge in Consumer Confidence: Prospects for Economy Brighten

Index Rebounds

The Index of Consumer Sentiment was 95.8 in the September 1989 survey, up significantly from the depressed August reading of 89.6. This sharp improvement regained most of the loss recorded during the past year, although it still left the Index below the 97.3 recorded in September of 1988.

The decline and subsequent rebound in the Index over the past two months had only a modest impact on the overall trends. For the third quarter as a whole, the Index of Consumer Sentiment averaged 92.5. Although modestly above the 90.9 recorded in the second quarter, it remained below the third quarter 1988 average of 96.0.

Much of the variation in the Index over the past few months was due to changing attitudes among high income families. Among families with incomes of \$40,000 or more, the Index rose to 103.0 in September, rebounding from the 93.1 recorded in August to post a small improvement over the July reading of 101.9. The September 1989 improvement still left the Index of Consumer Sentiment among high income families below the 105.4 recorded in September 1988.

The September improvement was concentrated in more favorable assessments of the outlook for the general economy, supported by favorable perceptions of inflation and employment trends. Overall, the September survey indicates more of a reassessment by consumers of the health and durability of the current economic expansion rather

than a resurgence in optimism. Recent declines in inflation and interest rates have improved consumers assessments of the economy.

Leading Indicator Posts Sharp Improvement

The Index of Consumer Expectations, a component of the Index of Leading Indicators, rose to 88.6 in September, up from 80.3 one month earlier, but just below the 89.5 recorded one year earlier. The strong September improvement was due to an improved outlook for the general economy. Overall, the Expectations Index indicates the continued vigor of the current expansion.

For the third quarter as a whole, the Expectations Index averaged 84.8, up from 81.8 in the second quarter, but below the 86.9 in the third quarter of 1988.

Consumers' assessments of current economic conditions also improved in September, but not to the same extent as the expectations measure. The Current Economic Conditions measure rose to 107.1 in September 1989 from 103.9 one month earlier, but remained below the 109.4 recorded in September 1988.

For the third quarter as a whole, the Current Conditions Index fell to 104.4, from 105.2 in the second quarter of 1989 and 110.3 in the third quarter of 1988--the third quarter 1988 reading of 110.3 was the cyclical peak.

Improved Prospects for Economy

Consumers' assessments of the national economy improved significantly in the September 1989 survey over the month earlier readings. These improvements reversed the losses recorded earlier in the year, with most indices regaining their year earlier levels.

Good times financially were expected in the economy as a whole during the year ahead by 55 percent of all families in the September 1989 survey, up from 46 percent in August and 53 percent in September 1988. Prospects for the economy over the longer term also improved, with 41 percent that expected good times financially in the economy during the next five years in the September survey, up from 33 percent in August and equal to year earlier.

It is not that consumers now expect a resurgence in the rate of growth in the economy, but that the current rate of growth will be accompanied by lower inflation rates, and a largely unchanged unemployment rate. The majority of families in the September 1989 survey (59 percent) expected the performance of the national economy during the year ahead to be similar to that of this past year. Many fewer families expected either a significantly higher or lower rate of growth (21 versus 16 percent).

This reassessment of the financial health of the economy, even if the overall rate of growth remains slow, was due to improved expectations for inflation, unemployment, and interest rates.

Inflation. Consumers expected an annual rate of inflation of 4.4% in the September 1989 survey, down from 4.7% one month earlier and 5.5% one year earlier. At 4.4%, the September reading is the lowest expected inflation rate recorded since early in 1988, returning inflation expectations to the levels recorded prior to the drought-induced increases.

Unemployment. The proportion of families that expected the national unemployment rate to remain unchanged at its current level rose to 61 percent in the September 1989 survey from 54 percent one month earlier and 52 percent one year earlier. Importantly, the proportion of families that expected unemployment to increase during the year ahead fell to 26 percent in the September 1989 survey, down from 35 percent in August.

Interest Rates. Following rapid reductions in interest rate expectations in the beginning of the Summer, interest rate expectations have remained largely unchanged during the past two months. Among all families in the September 1989 survey, 50 percent expected interest rate increases, just between the 49 percent recorded one month earlier and the 51 percent recorded two months earlier. Although the downward momentum has largely ended, the improvement has been substantial: half of all families expected increases in the September survey, down from three-fourths six months ago.

Lower Mortgage Rates Boost Home Buying Attitudes

Favorable attitudes toward buying conditions for homes were held by 70 percent of all families in the September 1989 survey, up from 64 percent in August, regaining the level recorded last September.

The improved home buying attitudes were due to lower mortgage interest rates. The proportion of families that mentioned the availability of currently low mortgage rates rose to 36 percent in September from 28 percent in August. This was more than twice the proportion recorded six months earlier, and the highest proportion to favorably assess mortgage rates since mid 1988.

Perceptions of market prices for homes also improved in the September 1989 survey, with 25 percent of all families mentioning the availability of good buys on homes, up from 23 percent in August. Complaints about high home prices were

voiced by 14 percent of all families in September, down from 18 percent in August.

Household Durables

The proportion of families that favorably rated buying conditions for furniture, appliances, and home electronic goods rose to 75 percent in September from 73 percent one month earlier and 71 percent one year earlier. The availability of low and discounted prices for household durables continue to support these favorable attitudes. In the September 1989 survey, nearly five times as many families mentioned the availability of discounted prices than registered complaints about high prices (34 versus 7 percent).

Vehicle Buying Attitudes

Favorable attitudes toward buying conditions for vehicles were held by 61 percent of all families in the September 1989 survey, unchanged from the readings taken one month and one year earlier. Unfavorable assessments of vehicle buying conditions, however, did inch upward, to 30 percent in September 1989 from 28 percent one month earlier and 26 percent one year earlier.

Interestingly, buying attitudes toward vehicles was one of the few survey measures that did not improve in the September survey. Unlike other markets, consumers views of buying conditions for vehicles have become more dependent on the cycles of discount programs offered by vehicle manufacturers. Whereas the reductions in interest rates have had a significant impact on home buying, these declines in market rates have not had a comparable impact on new vehicle sales since the discounted rates offered by vehicle manufacturers were already below market rates.

Personal Finances Remain Favorable

Over the Summer months of 1989, consumers' evaluations of their current financial situation remained largely unchanged. Among all families, 42 percent reported that they were better off financially than a year earlier, just above the 41 percent recorded in each of the two prior months. Fewer reports of income increases were offset by fewer complaints of rising prices.

Compared with a year earlier, however, fewer families reported an improved financial situation in the September survey in 1989 than in 1988—42 versus 49 percent. The decline during the past year has been due to fewer reports of income increases—31 down from 40 percent.

Importantly, consumers continued to favorably view their financial prospects for the year ahead. Among all families in the September 1989 survey, 38 percent expected their personal financial situation to improve, between the 37 percent recorded one month earlier and the 41 percent recorded one year earlier. Nearly half of all families (49 percent) expected their financial situation, considering both changes in incomes and prices, to remain unchanged on balance during the year ahead. Just 9 percent expected their financial situation to worsen during the year ahead.

* * *

The September 1989 survey included 506 completed interviews conducted between September 5 and September 30, 1989.

07475-2 A

SURVEYS OF CONSUMERS



Institute for Social Research

SURVEYS OF CONSUMERS

SEPTEMBER 1989

The August 1989 survey was the 254th in a series of Surveys of Consumers conducted by the Survey Research Center at The University of Michigan. Initiated in 1946, these periodic surveys provide regular assessments of consumer attitudes and expectations, and are used to evaluate economic trends and prospects. The surveys are designed to explore why changes in consumer attitudes and expectations occur, and how these changes influence consumer spending and saving decisions.

All surveys are subject to sampling error because not all members of the population are interviewed. Most results for the total sample will differ by no more than 5 percentage points in either direction from what would have been obtained by using the same methods on the entire population. See the back of this book for sampling error information.

While every effort is made to accurately measure consumer attitudes and expectations, factors other than sampling may also affect the accuracy of these (and other) findings. These factors may include effects of the question wording, the ability of respondents to articulate answers and opinions, refusal to participate in the survey, and incomplete coverage of the population. There are no standard measures of these effects, but their presence should be acknowledged when using these and all other survey data. While measurement effects are present in all surveys, a noted advantage of time-series data is that the non-sampling influences remain relatively constant across samples.

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CHART 1 - RECENT CHANGES
THE INDEX OF CONSUMER SENTIMENT



CHART 1 - HISTORICAL SERIES
THE INDEX OF CONSUMER SENTIMENT

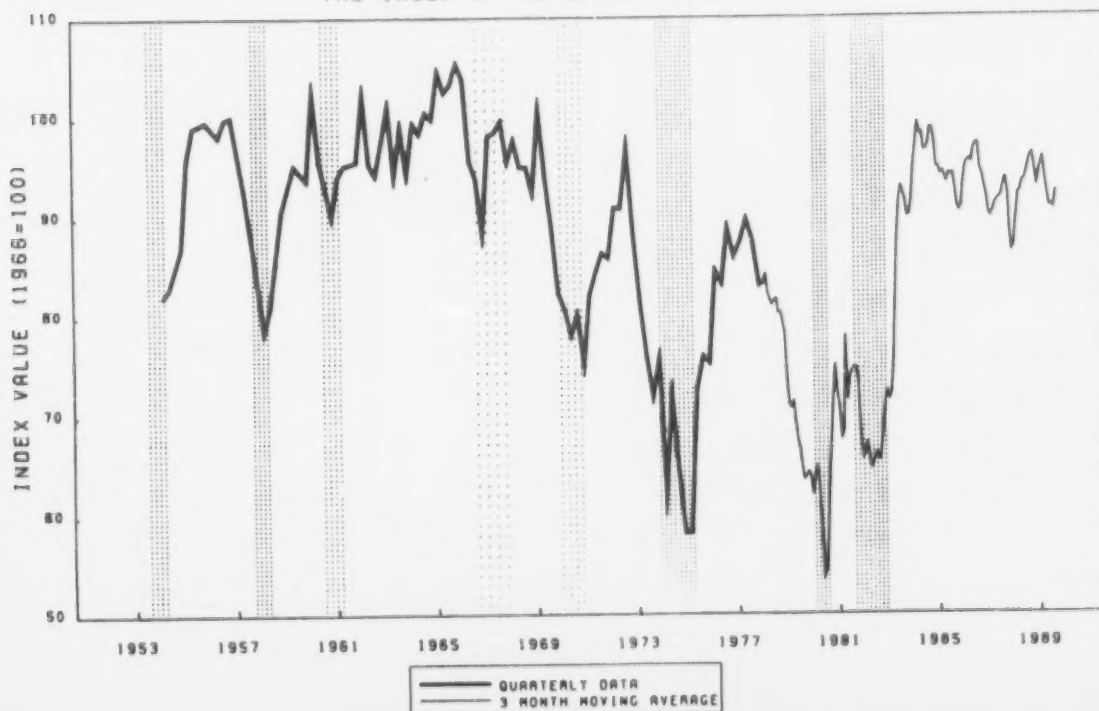


TABLE 1
THE INDEX OF CONSUMER SENTIMENT

DATE OF SURVEY	All families	Families with incomes over \$30,000	Families with incomes over \$40,000
September 1986	91.9	99.5	102.1
October 1986	95.6	102.8	105.5
November 1986	91.4	97.5	98.7
December 1986	89.1	98.7	98.3
January 1987	90.4	101.2	104.0
February 1987	90.2	103.6	103.6
March 1987	90.8	97.8	96.1
April 1987	92.8	98.5	103.1
May 1987	91.1	97.7	99.2
June 1987	91.5	102.9	102.9
July 1987	93.7	102.5	104.0
August 1987	94.4	104.4	109.1
September 1987	93.6	100.6	104.3
October 1987	89.3	99.9	101.8
November 1987	83.1	87.7	90.5
December 1987	86.8	94.5	96.1
January 1988	90.8	99.0	99.9
February 1988	91.6	98.1	100.8
March 1988	94.6	103.7	104.6
April 1988	91.2	99.1	99.6
May 1988	94.8	106.6	108.3
June 1988	94.7	102.3	102.7
July 1988	93.4	100.5	103.9
August 1988	97.4	105.1	104.2
September 1988	97.3	102.8	105.4
October 1988	94.1	103.0	103.7
November 1988	93.0	102.0	101.0
December 1988	91.9	97.0	99.5
January 1989	97.9	108.4	106.8
February 1989	95.4	104.6	109.6
March 1989	94.3	98.6	100.0
April 1989	91.5	99.1	99.8
May 1989	90.7	100.6	100.3
June 1989	90.6	95.2	95.4
July 1989	92.0	103.2	101.9
August 1989	89.6	93.5	93.1
September 1989	95.8	104.1	103.0

CHART 2A - HISTORICAL SERIES
INDEX OF CONSUMER SENTIMENT WITHIN REGION SUBGROUPS

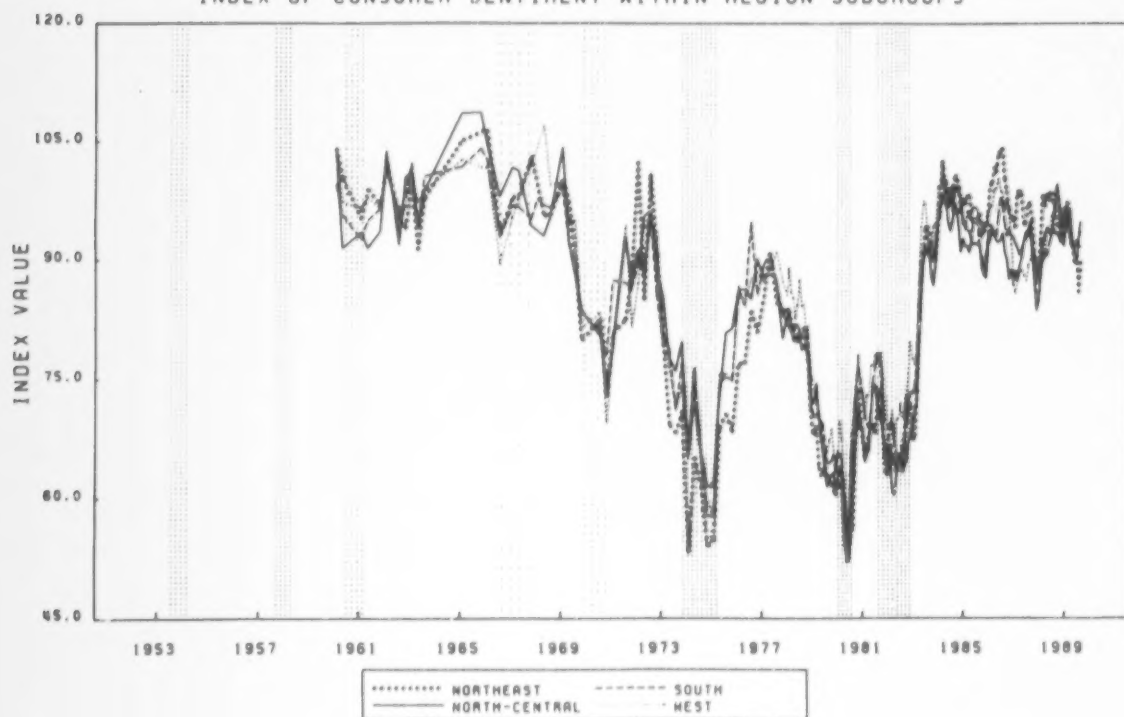


CHART 2B - HISTORICAL SERIES
INDEX OF CONSUMER SENTIMENT WITHIN AGE SUBGROUPS

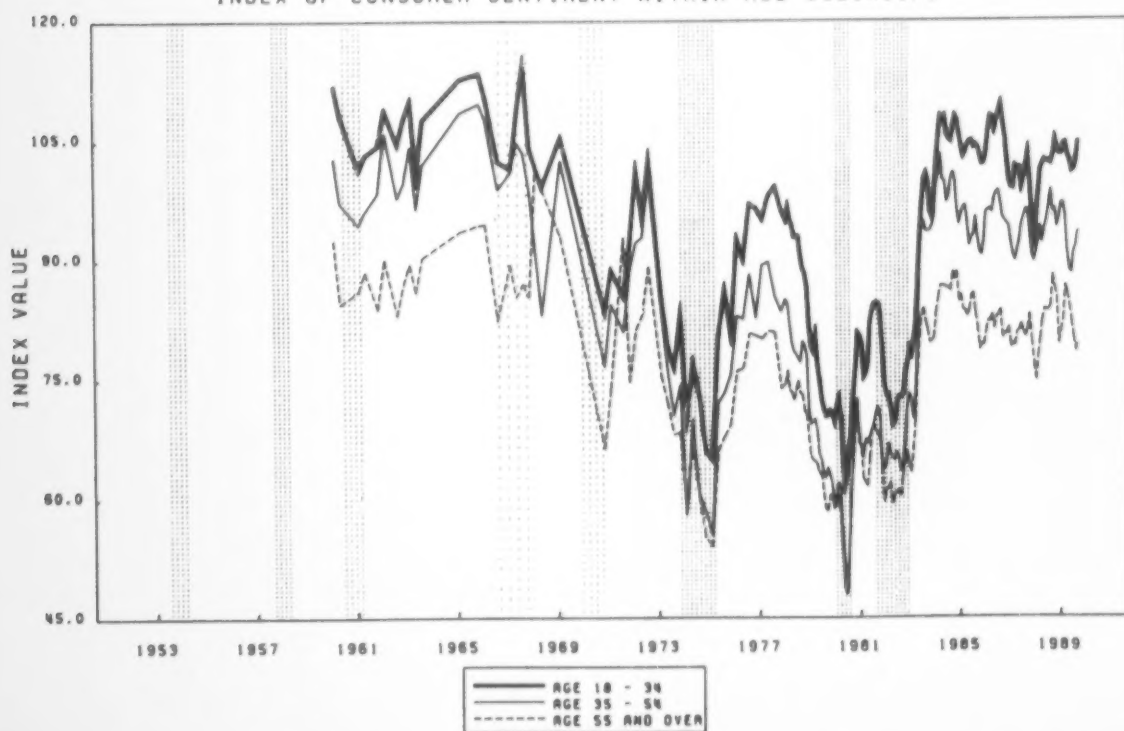


TABLE 2

INDEX OF CONSUMER SENTIMENT WITHIN REGION AND AGE SUBGROUPS

DATE OF SURVEY	CENSUS REGION				AGE OF RESPONDENT		
	North East	North Central	South	West	18-34	35-54	55+
September 1986	94.6	87.0	91.9	95.8	106.3	92.4	76.1
October 1986	99.1	90.0	96.5	99.3	102.5	97.3	85.7
November 1986	95.8	85.6	93.2	92.3	99.5	94.2	80.4
December 1986	91.8	90.4	89.5	84.0	98.0	91.3	78.3
January 1987	98.1	85.9	96.0	83.9	99.9	91.2	78.4
February 1987	92.4	89.5	90.7	89.2	99.1	89.2	81.5
March 1987	104.6	86.3	87.5	91.2	106.4	89.3	77.7
April 1987	99.4	91.7	93.7	87.2	99.0	95.1	83.5
May 1987	91.3	92.9	92.1	87.1	99.5	92.8	82.1
June 1987	92.5	92.2	91.5	89.7	99.0	95.5	80.0
July 1987	100.1	95.7	93.8	85.2	103.0	97.8	80.2
August 1987	99.0	91.0	95.2	93.2	103.3	95.8	80.8
September 1987	92.2	94.7	94.9	91.5	104.1	95.4	82.6
October 1987	93.8	87.2	88.3	89.1	92.0	89.9	86.2
November 1987	83.9	79.6	87.9	79.4	91.7	86.6	70.8
December 1987	83.4	83.6	90.4	89.2	94.1	92.9	73.6
January 1988	99.8	91.3	87.6	88.5	98.3	93.6	80.1
February 1988	93.7	92.1	92.8	86.3	102.5	90.3	79.9
March 1988	101.2	92.9	91.6	95.3	103.5	98.9	80.0
April 1988	94.9	93.9	88.6	89.0	100.0	87.5	86.6
May 1988	99.1	95.5	91.1	97.3	104.2	95.4	84.7
June 1988	98.1	91.2	95.9	95.2	103.1	102.0	79.5
July 1988	98.3	92.0	91.8	94.0	99.6	93.0	86.6
August 1988	95.7	100.9	94.4	98.5	103.6	101.7	86.3
September 1988	95.2	101.9	93.3	97.6	106.1	93.3	91.4
October 1988	91.8	96.1	92.9	96.6	105.8	94.6	82.0
November 1988	95.8	90.6	90.5	98.9	100.4	94.3	82.2
December 1988	90.8	90.2	96.1	88.0	103.7	97.1	73.9
January 1989	96.9	94.2	99.9	102.2	105.8	100.3	86.7
February 1989	103.5	99.2	88.8	93.6	104.3	94.2	86.7
March 1989	91.5	95.8	96.1	92.2	103.9	91.8	87.0
April 1989	83.9	94.6	93.4	90.3	101.0	87.5	83.8
May 1989	99.9	86.7	87.3	94.3	102.2	86.9	81.9
June 1989	84.7	91.2	94.4	89.8	100.0	90.4	81.1
July 1989	87.2	91.9	95.6	91.8	101.9	95.8	78.0
August 1989	85.2	93.6	85.0	95.7	105.7	88.9	76.1
September 1989	97.1	98.8	94.0	92.7	107.1	96.2	84.9

CHART 3 - RECENT CHANGES
CURRENT AND EXPECTED COMPONENTS

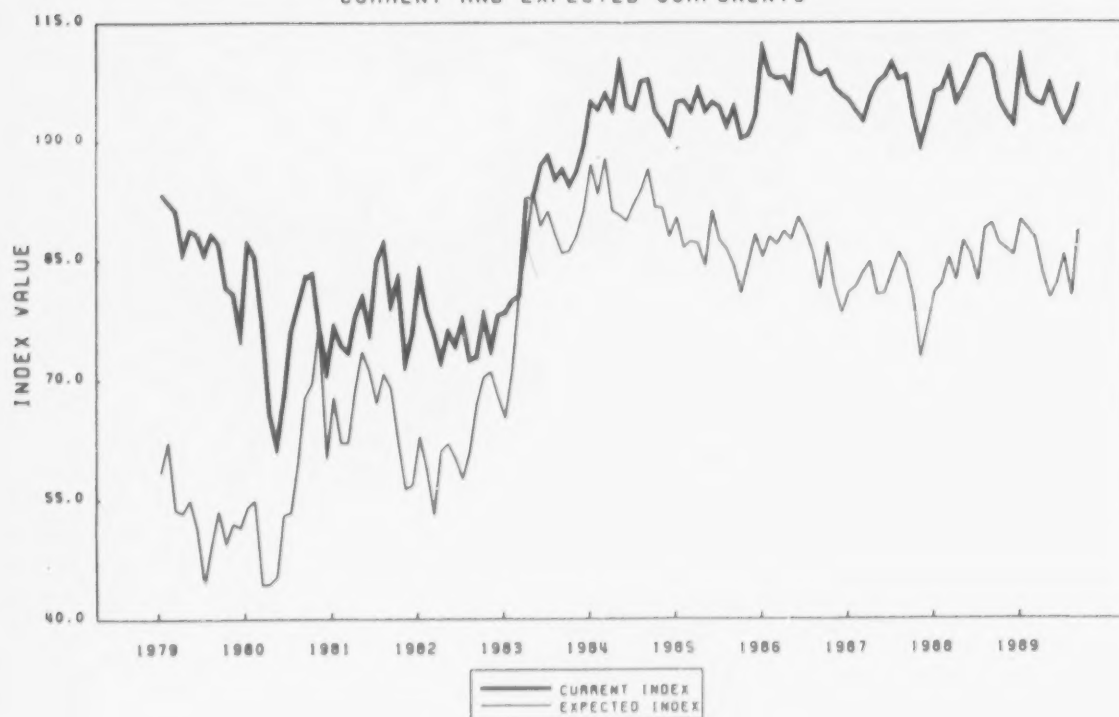


CHART 3 - HISTORICAL SERIES
CURRENT AND EXPECTED COMPONENTS

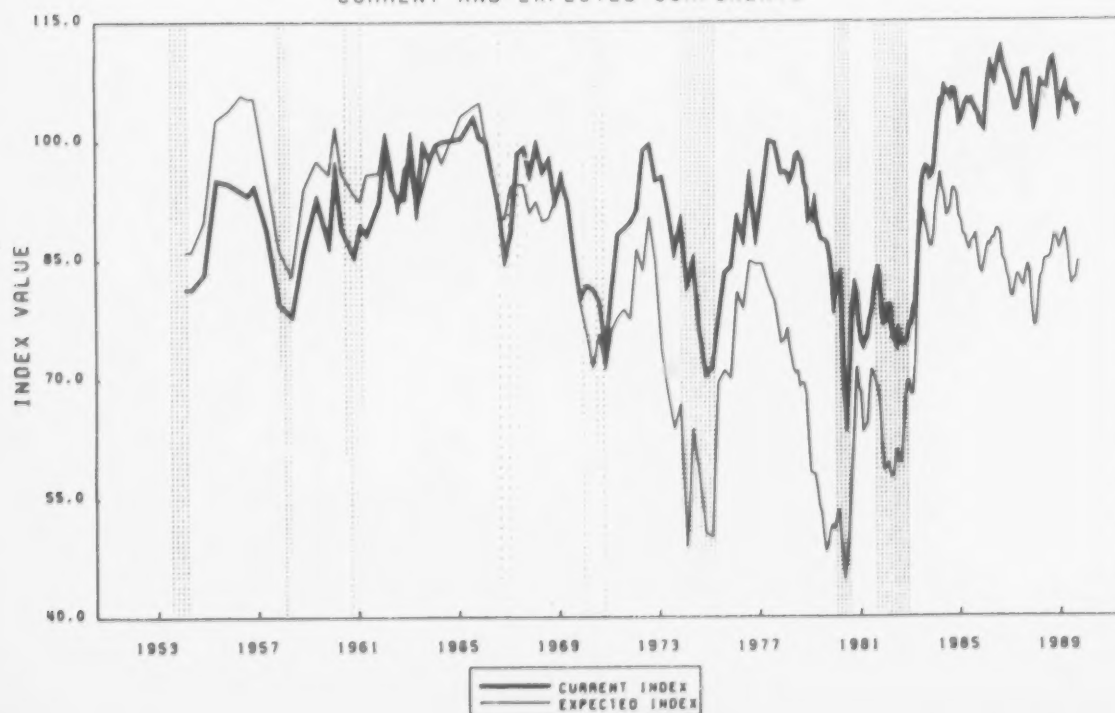


TABLE 3
COMPONENTS OF THE INDEX OF CONSUMER SENTIMENT

DATE OF SURVEY	INDEX COMPONENTS +						
	Personal finances		Business conditions		Buying conds.	Current Index	Expected Index
	Current	Expected	12 months	5 years			
	(1)	(2)	(3)	(4)	(5)	(1,5)	(2,3,4)
September 1986	120	127	115	84	161	108.3	81.3
October 1986	120	127	124	99	162	108.9	87.1
November 1986	121	121	120	87	155	106.7	81.6
December 1986	116	127	104	83	158	105.8	78.3
January 1987	120	130	117	77	152	105.1	80.9
February 1987	115	126	117	84	153	103.7	81.6
March 1987	114	122	121	92	152	102.5	83.3
April 1987	116	127	116	97	158	105.5	84.7
May 1987	117	121	114	89	161	107.4	80.6
June 1987	120	122	113	89	161	108.1	80.8
July 1987	123	123	118	94	162	109.9	83.3
August 1987	122	127	125	93	157	107.8	85.8
September 1987	119	124	122	92	162	108.3	84.2
October 1987	118	128	105	90	149	103.1	80.4
November 1987	115	118	93	80	142	99.3	72.7
December 1987	119	120	98	89	147	102.7	76.7
January 1988	122	131	110	84	154	106.2	80.9
February 1988	122	130	108	90	155	106.6	81.9
March 1988	127	133	114	96	156	109.1	85.2
April 1988	117	125	117	89	154	104.8	82.4
May 1988	111	127	125	98	165	106.5	87.3
June 1988	119	129	121	95	163	108.6	85.7
July 1988	120	128	106	96	167	110.7	82.3
August 1988	127	127	125	105	160	110.8	88.8
September 1988	127	133	125	102	157	109.4	89.5
October 1988	114	124	129	97	158	105.0	87.0
November 1988	112	128	122	97	156	103.3	86.3
December 1988	114	127	119	98	150	102.0	85.5
January 1989	121	131	128	103	165	110.3	89.9
February 1989	120	130	128	99	154	105.7	88.8
March 1989	116	131	123	98	156	104.8	87.6
April 1989	113	130	113	91	158	104.4	83.2
May 1989	121	125	107	89	157	107.1	80.1
June 1989	115	123	115	90	155	104.1	82.0
July 1989	112	123	124	96	152	102.1	85.5
August 1989	114	126	109	88	156	103.9	80.3
September 1989	117	129	127	101	161	107.1	88.6

(1) See Table 4.

(2) See Table 6.

(3) See Table 15.

(4) See Table 16.

(5) See Table 21.

+ : Percent saying "GOOD TIMES" (or "BETTER"), minus percent saying "BAD TIMES" (or "WORSE"), plus 100.

CHART 4 - RECENT CHANGES
CURRENT FINANCIAL SITUATION COMPARED WITH A YEAR AGO

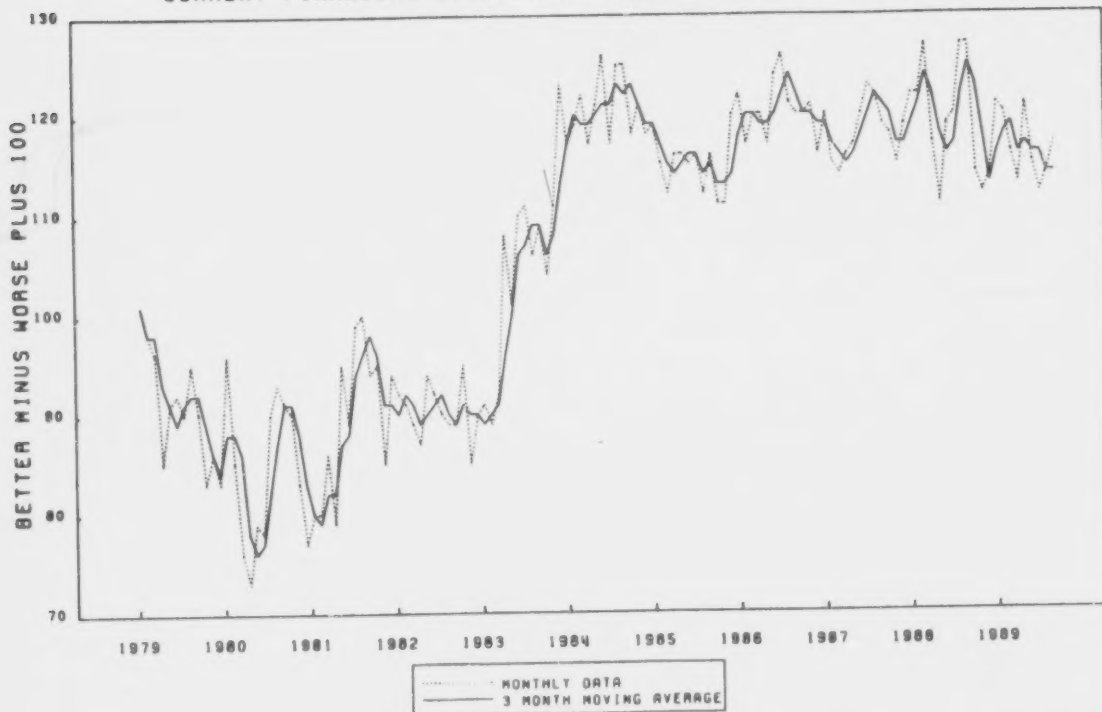


CHART 4 - HISTORICAL SERIES
CURRENT FINANCIAL SITUATION COMPARED WITH A YEAR AGO

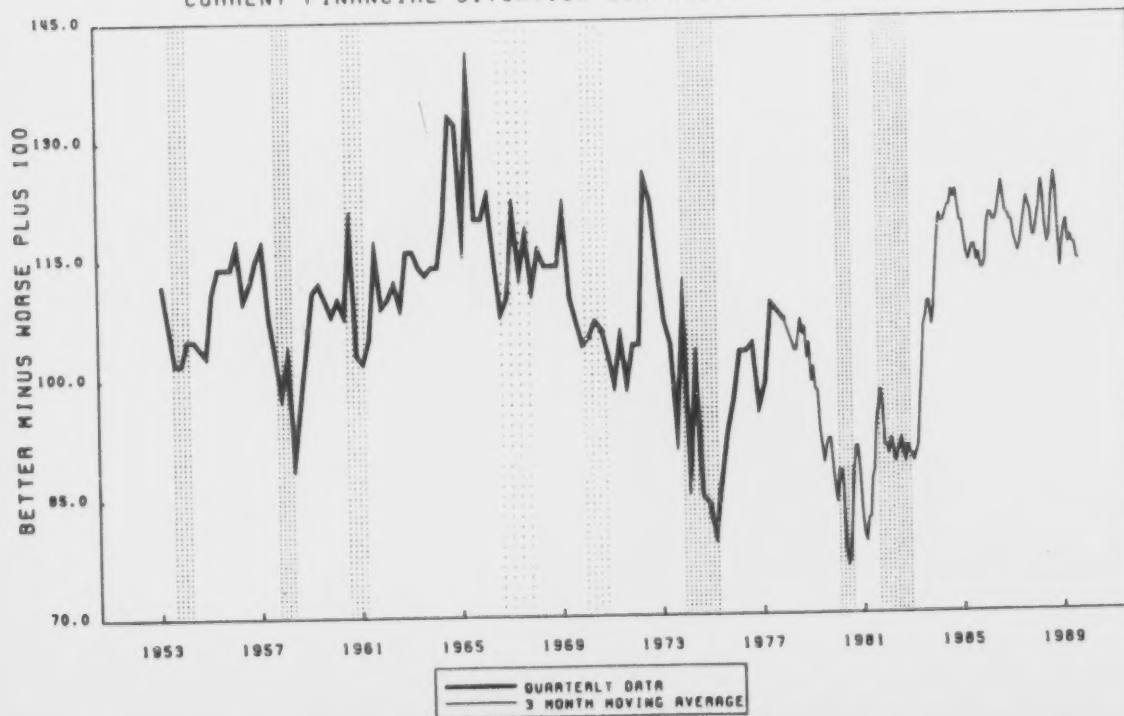


TABLE 4
CURRENT FINANCIAL SITUATION COMPARED TO A YEAR AGO

	Sept 1988	Oct. 1988	Nov. 1988	Dec. 1988	Jan. 1989	Feb. 1989	Mar. 1989	Apr. 1989	May 1989	June 1989	July 1989	Aug. 1989	Sept 1989
BETTER OFF	49%	42%	41%	39%	44%	44%	42%	42%	45%	38%	41%	41%	42%
SAME	28	30	30	36	33	31	32	29	31	38	30	32	32
WORSE OFF	22	28	29	25	23	24	26	29	24	23	29	27	25
DK,NA	1	*	*	*	*	1	*	*	*	1	*	*	1
TOTAL	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%
CASES	500	501	508	500	501	500	502	500	503	507	501	502	506

The question was: "We are interested in how people are getting along financially these days. Would you say that you (and your family living there) are better off or worse off financially than you were a year ago?"

* : Less than half of one percent.

CHART 5A - HISTORICAL SERIES
REASONS FOR OPINIONS ABOUT PERSONAL FINANCIAL SITUATION

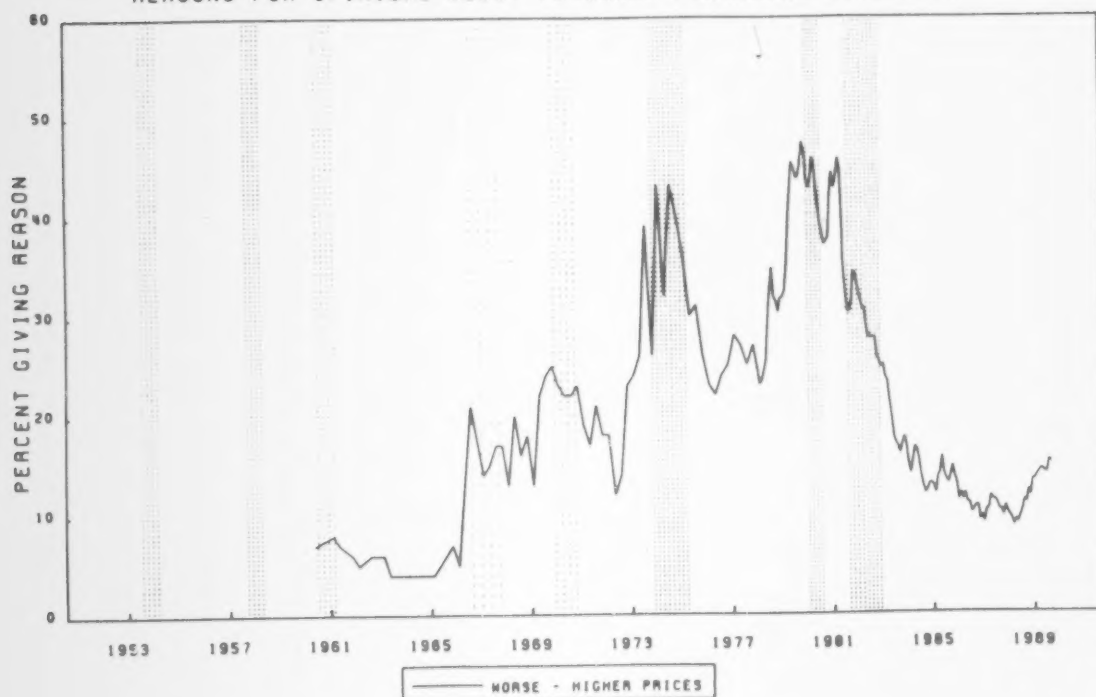


CHART 5B - HISTORICAL SERIES
REASONS FOR OPINIONS ABOUT PERSONAL FINANCIAL SITUATION

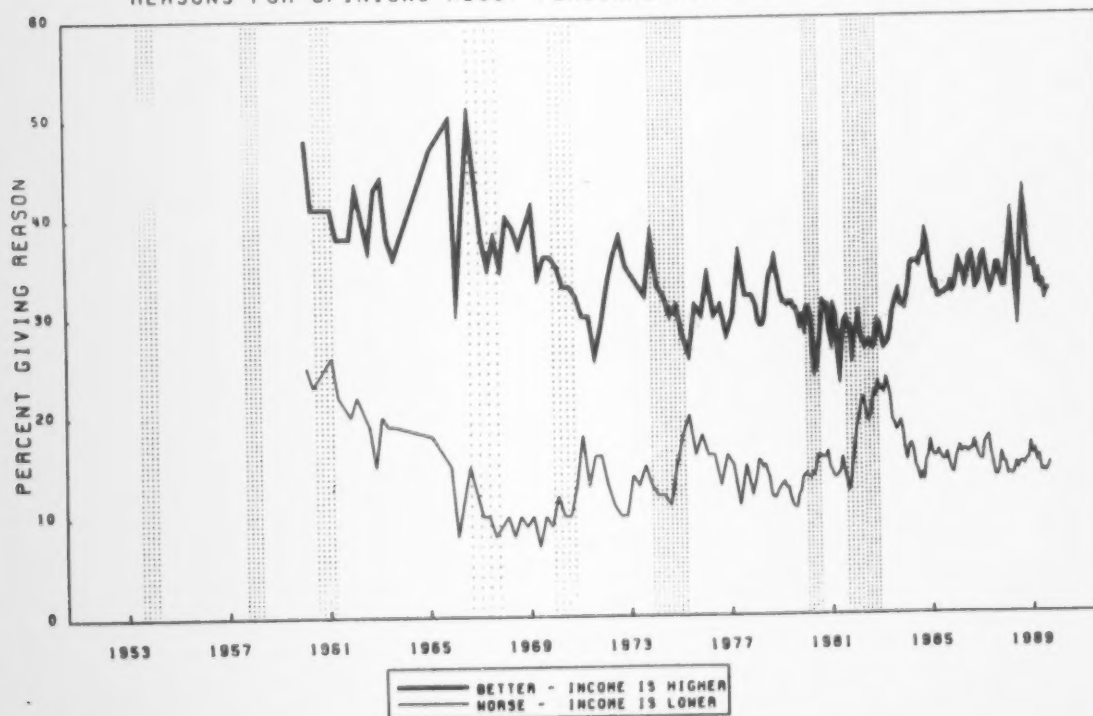


TABLE 5

SELECTED REASONS FOR OPINIONS ABOUT PERSONAL FINANCIAL SITUATION +

	Sept 1988	Oct. 1988	Nov. 1988	Dec. 1988	Jan. 1989	Feb. 1989	Mar. 1989	Apr. 1989	May 1989	June 1989	July 1989	Aug. 1989	Sept 1989
BETTER OFF THAN YEAR AGO:													
Income is higher	40%	34%	35%	35%	34%	36%	30%	36%	32%	31%	32%	34%	31%
WORSE OFF THAN YEAR AGO:													
Income is lower	12	18	16	17	14	18	13	16	13	14	15	14	16
Higher prices	9	15	11	14	15	12	15	16	12	14	16	16	13

Responses to the query: "Why do you say so?" following the question on Table 4.

+ : May add to more than 100% due to multiple mentions.

CHART 6 - RECENT CHANGES
EXPECTED CHANGE IN FINANCIAL SITUATION

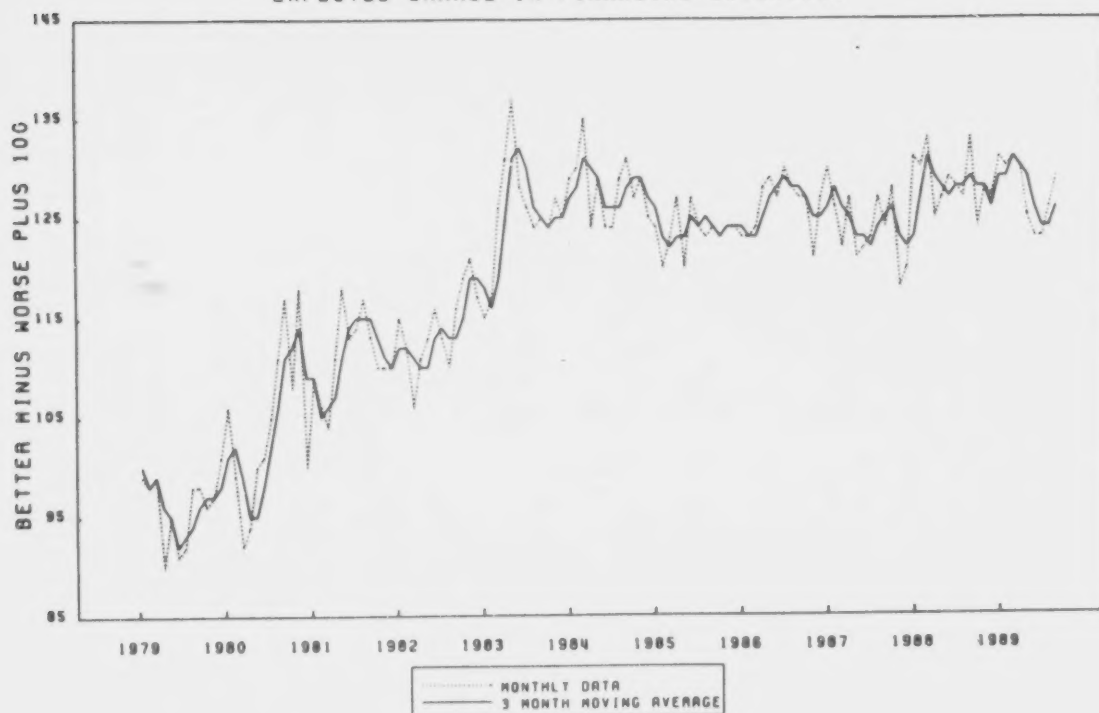


CHART 6 - HISTORICAL SERIES
EXPECTED CHANGE IN FINANCIAL SITUATION

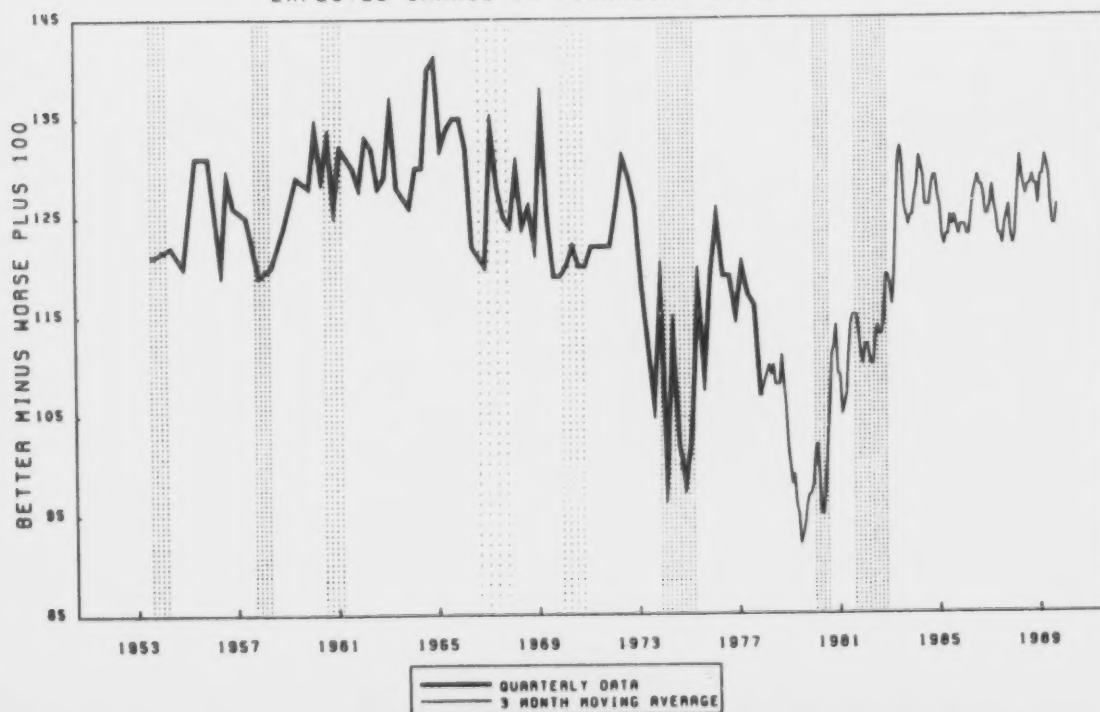


TABLE 6

EXPECTED CHANGE IN FINANCIAL SITUATION

	Sept 1988	Oct. 1988	Nov. 1988	Dec. 1988	Jan. 1989	Feb. 1989	Mar. 1989	Apr. 1989	May 1989	June 1989	July 1989	Aug. 1989	Sept 1989
BETTER OFF	41%	36%	37%	39%	41%	40%	40%	41%	39%	34%	35%	37%	38%
SAME	47	48	49	46	47	46	49	46	45	52	50	49	49
WORSE OFF	8	12	9	12	10	10	9	11	14	11	12	11	9
DK,NA	4	4	5	3	2	4	2	2	2	3	3	3	4
TOTAL	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%
CASES	500	501	508	500	501	500	502	500	503	507	501	502	506

The question was: "Now looking ahead--do you think that a year from now you (and your family living there) will be better off financially, or worse off, or just about the same as now?"

CHART 7 - RECENT CHANGES
TREND IN PERSONAL FINANCIAL SITUATION

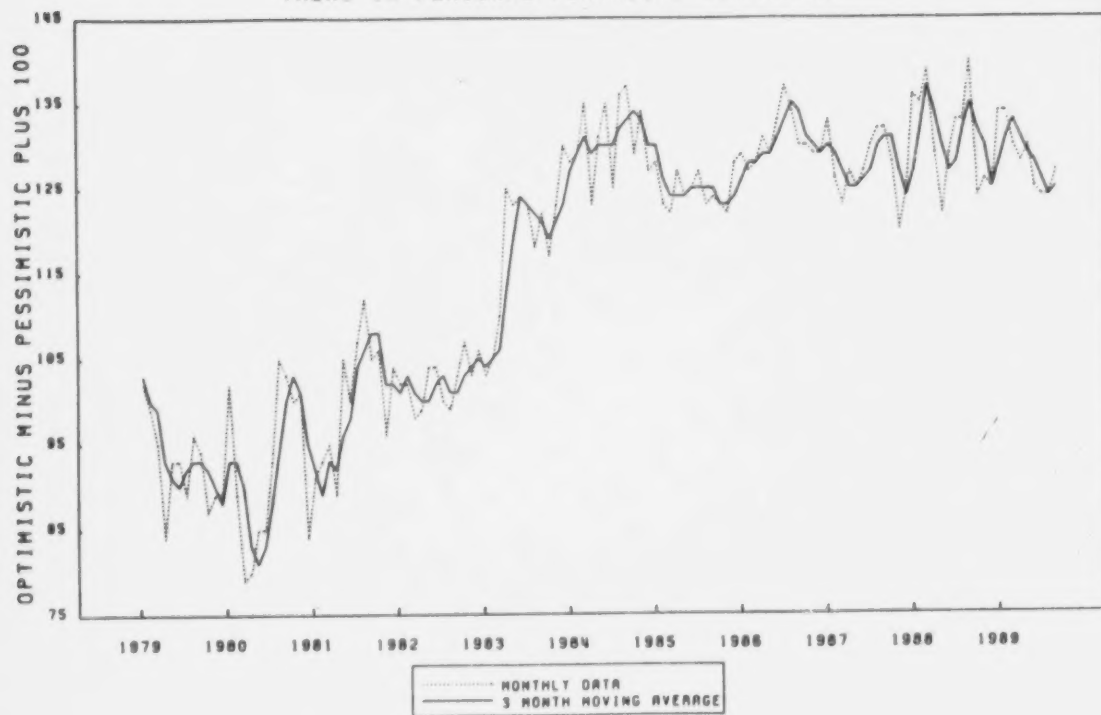


CHART 7 - HISTORICAL SERIES
TREND IN PERSONAL FINANCIAL SITUATION

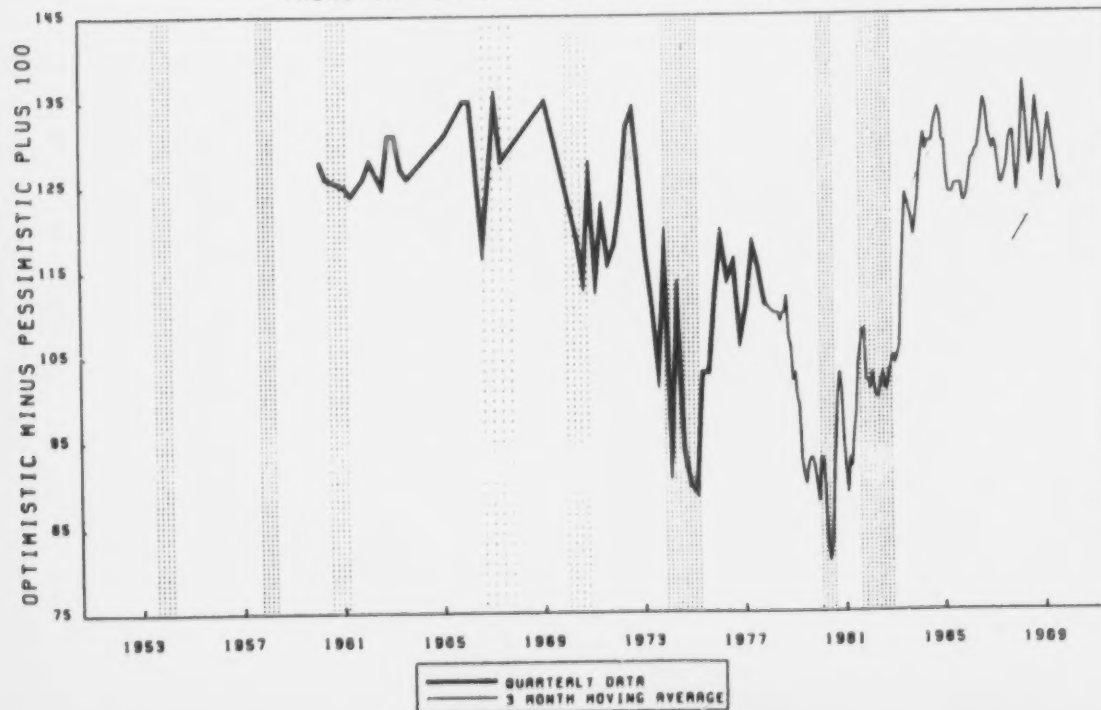


TABLE 7

TREND IN PERSONAL FINANCIAL SITUATION

	Sept 1988	Oct. 1988	Nov. 1988	Dec. 1988	Jan. 1989	Feb. 1989	Mar. 1989	Apr. 1989	May 1989	June 1989	July 1989	Aug. 1989	Sept 1989
PERSONAL FINANCIAL PROGRESS:													
Continuous increase (a)	25%	20%	21%	22%	23%	22%	20%	21%	21%	16%	19%	20%	24%
Intermittant increase (b)	28	25	25	23	29	29	29	27	31	28	28	25	24
Remain unchanged (c)	17	18	18	20	18	17	18	17	14	22	18	20	19
Intermittant decline (d)	10	15	16	16	13	12	15	13	18	15	15	16	17
Continuous decline (e)	3	6	4	4	5	5	4	7	4	4	8	5	4
Mixed change (f)	12	11	11	11	10	11	12	13	9	11	9	10	8
DK, NA	5	5	5	4	2	4	2	2	3	4	3	4	4
TOTAL	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%
CASES	500	501	508	500	501	500	502	500	503	507	501	502	506

Combination of the responses to the questions on Tables 4 and 6.

Key: (a) Better off financially than a year ago/Better off a year from now
 (b) Better/Same or Same/Better
 (c) Same/Same
 (d) Worse/Same or Same/Worse
 (e) Worse/Worse
 (f) Worse/Better or Better/Worse

CHART 8 - RECENT CHANGES
 MEDIAN EXPECTED CHANGE IN FAMILY INCOME

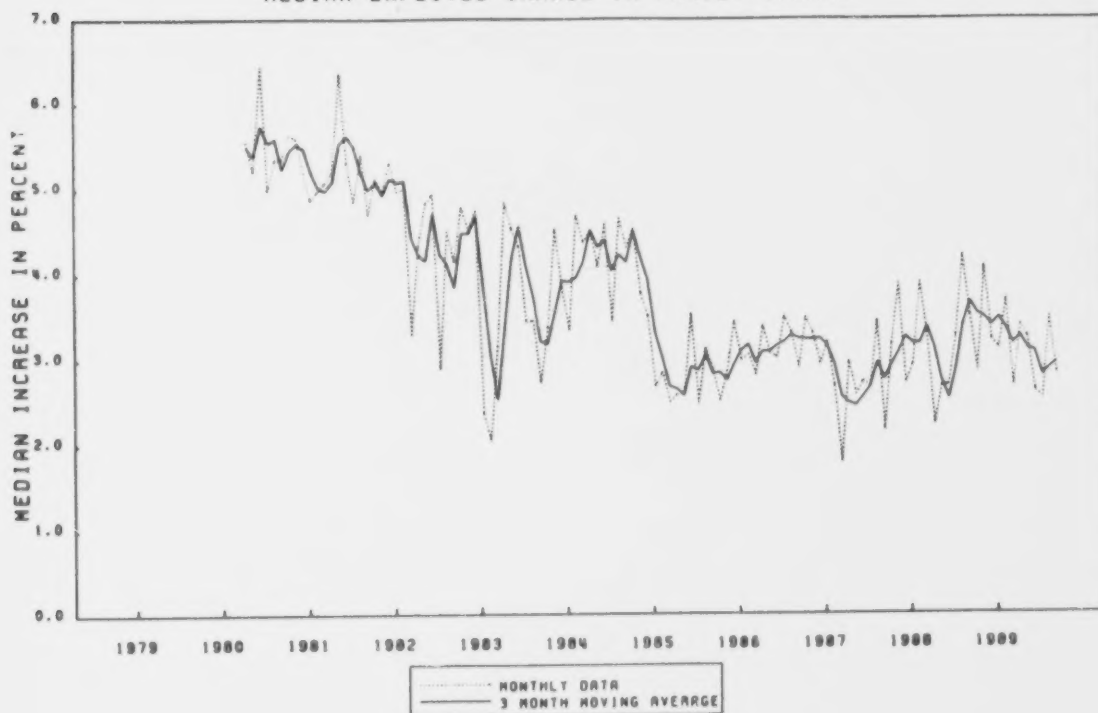


CHART 8 - HISTORICAL SERIES
 MEDIAN EXPECTED CHANGE IN FAMILY INCOME

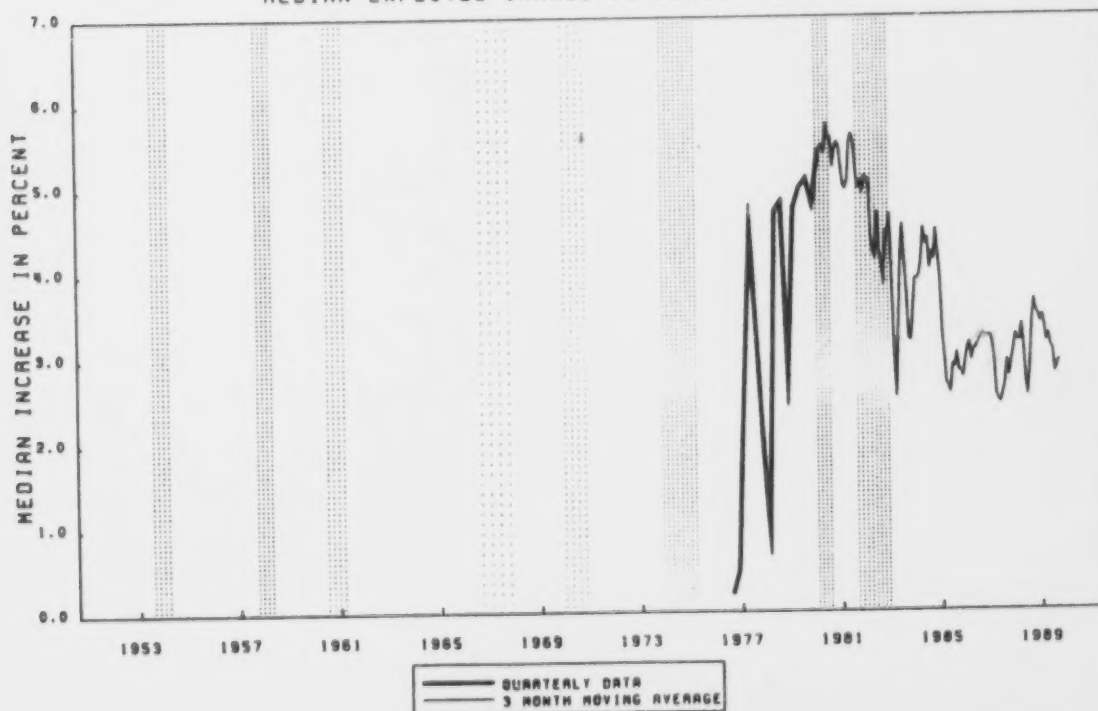


TABLE 8

EXPECTED FAMILY INCOME CHANGE DURING THE NEXT 12 MONTHS

	Sept 1988	Oct. 1988	Nov. 1988	Dec. 1988	Jan. 1989	Feb. 1989	Mar. 1989	Apr. 1989	May 1989	June 1989	July 1989	Aug. 1989	Sept 1989
EXPECT INCREASE:													
1-4%	16%	16%	18%	21%	15%	17%	16%	17%	16%	18%	15%	15%	16%
5%	10	12	11	11	9	15	10	12	9	11	9	13	10
6-9%	8	6	9	7	10	7	7	7	7	6	6	8	7
10-24%	16	15	15	15	14	15	14	15	17	14	16	17	15
25% or more	8	6	7	6	8	7	7	7	8	6	6	6	5
DK how much up	6	5	7	4	4	5	5	5	4	5	6	3	5
EXPECT SAME	25	27	20	22	27	22	27	23	26	27	31	26	25
EXPECT DOWN	10	12	11	13	13	11	14	12	12	12	10	12	15
DK,NA	1	1	2	1	*	1	*	2	1	1	1	*	2
TOTAL	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%
CASES	500	501	508	500	501	500	502	500	503	507	501	502	506

The questions were: "During the next 12 months, do you expect your (family) income to be higher or lower than during the past year?" and "By about what percent do you expect your (family) income to increase during the next 12 months?"

* : Less than half of one percent.

CHART 9 - RECENT CHANGES
INCOME OR PRICES UP MORE NEXT YEAR



CHART 9 - HISTORICAL SERIES
INCOME OR PRICES UP MORE NEXT YEAR

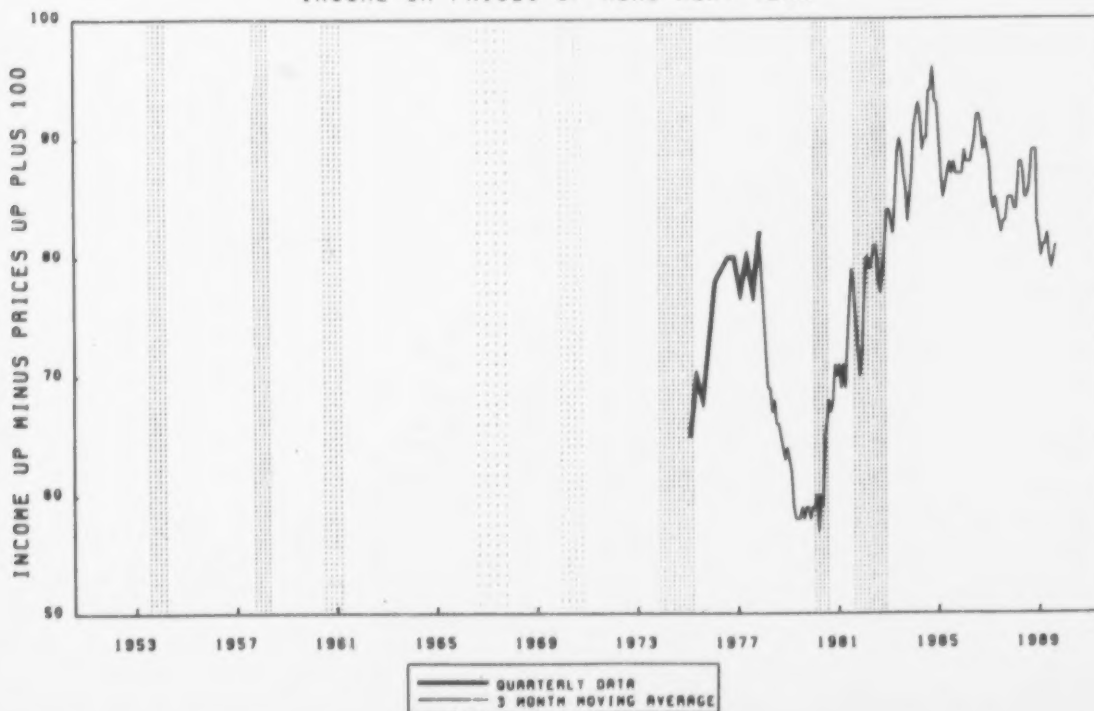


TABLE 9

EXPECTED CHANGE IN REAL FAMILY INCOME

	Sept 1988	Oct. 1988	Nov. 1988	Dec. 1988	Jan. 1989	Feb. 1989	Mar. 1989	Apr. 1989	May 1989	June 1989	July 1989	Aug. 1989	Sept 1989
INCOME UP MORE	25%	18%	21%	17%	19%	18%	17%	18%	22%	16%	19%	21%	19%
INCOME UP SAME	41	46	43	41	41	43	44	43	37	39	40	39	39
PRICES UP MORE	31	34	33	40	37	36	37	37	38	42	39	36	40
DK,NA	3	2	3	2	3	3	2	2	3	3	2	4	2
TOTAL	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%
CASES	500	501	508	500	501	500	502	500	503	507	501	502	506

The question was: "How about the next year or two--do you expect that your (family) income will go up more than prices will go up, about the same, or less than prices will go up?"

CHART 10 - RECENT CHANGES
NEWS HEARD OF RECENT CHANGES IN BUSINESS CONDITIONS

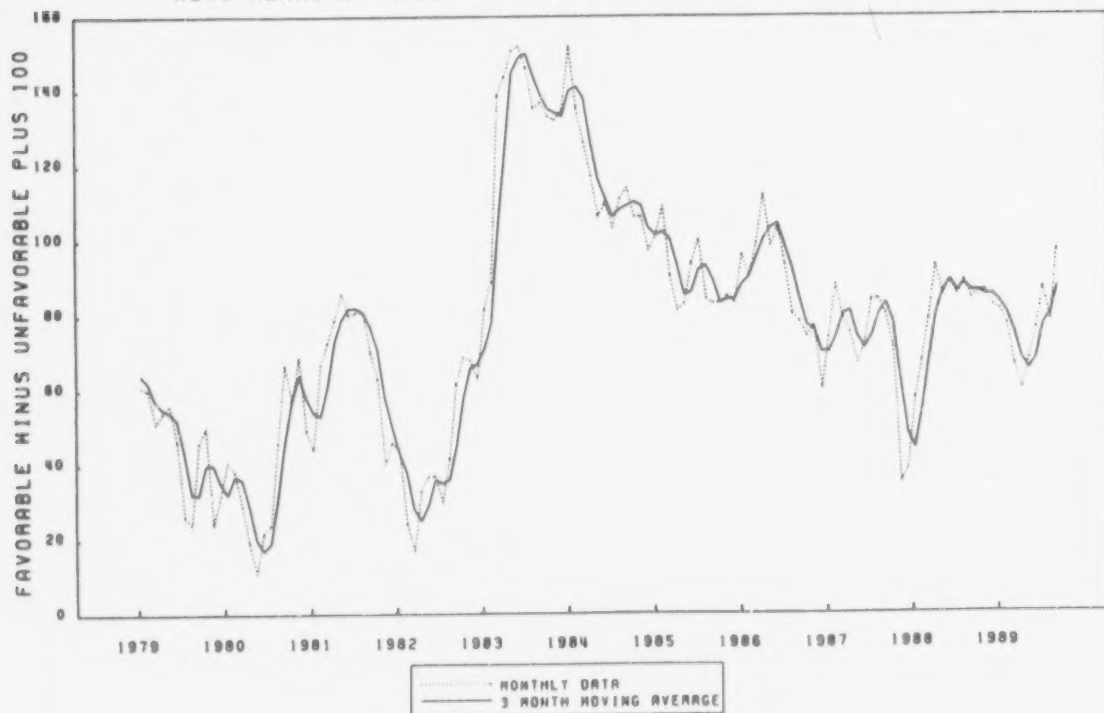


CHART 10 - HISTORICAL SERIES
NEWS HEARD OF RECENT CHANGES IN BUSINESS CONDITIONS

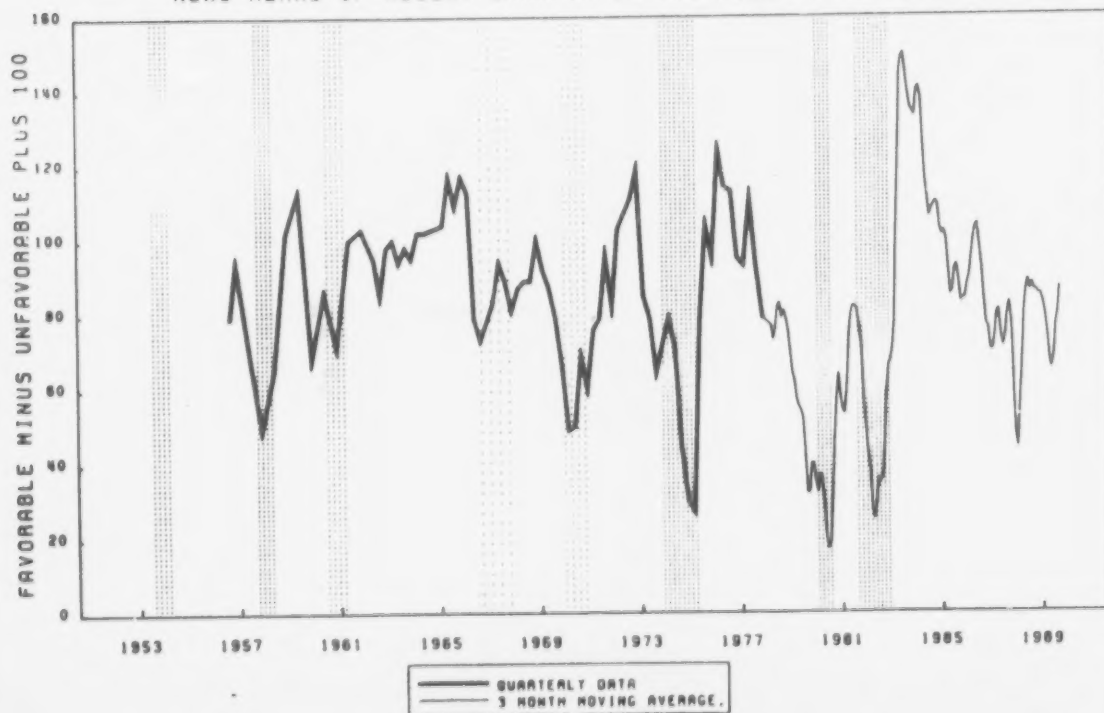


TABLE 10

NEWS HEARD OF RECENT CHANGES IN BUSINESS CONDITIONS +

	Sept 1988	Oct. 1988	Nov. 1988	Dec. 1988	Jan. 1989	Feb. 1989	Mar. 1989	Apr. 1989	May 1989	June 1989	July 1989	Aug. 1989	Sept 1989
FAVORABLE NEWS	32%	29%	25%	30%	24%	27%	22%	18%	22%	23%	28%	23%	29%
UNFAVORABLE NEWS	48	43	39	48	43	50	56	58	54	47	41	45	32
NC MENTIONS	46	52	54	50	55	48	49	48	48	53	50	53	56

The questions were: "During the last few months, have you heard of any favorable or unfavorable changes in business conditions?" and "What did you hear?"

+ : May add to more than 100% due to multiple mentions.

CHART 11A - HISTORICAL SERIES
TYPE OF NEWS HEARD ABOUT CHANGES IN BUSINESS CONDITIONS

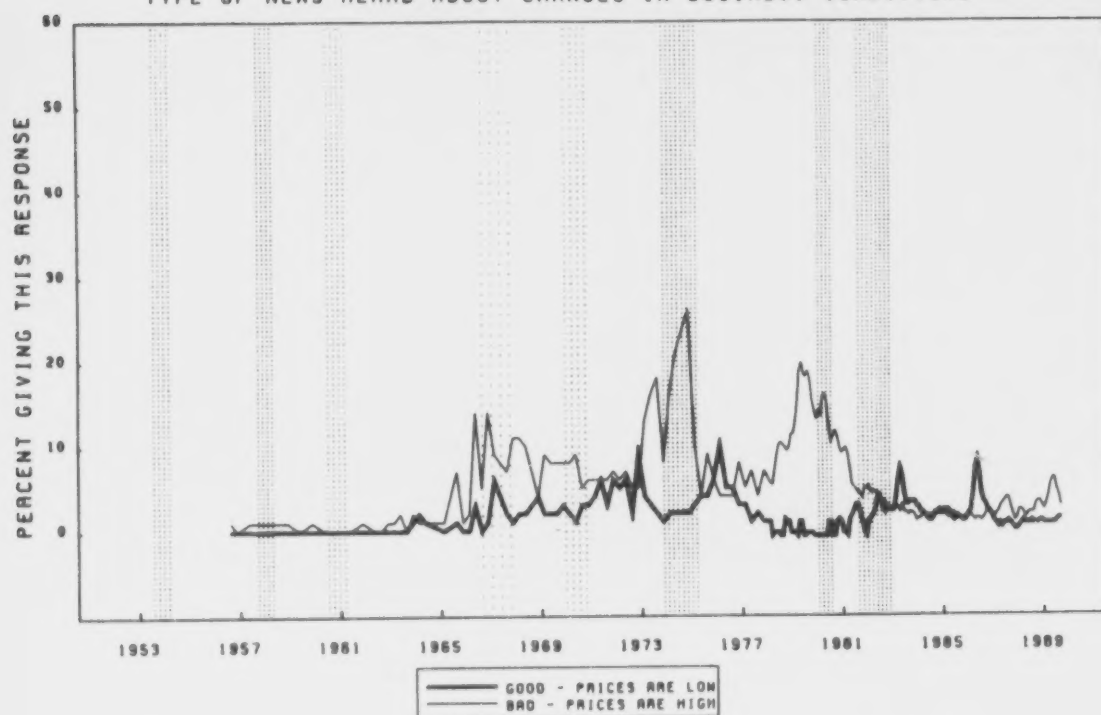


CHART 11B - HISTORICAL SERIES
TYPE OF NEWS HEARD ABOUT CHANGES IN BUSINESS CONDITIONS

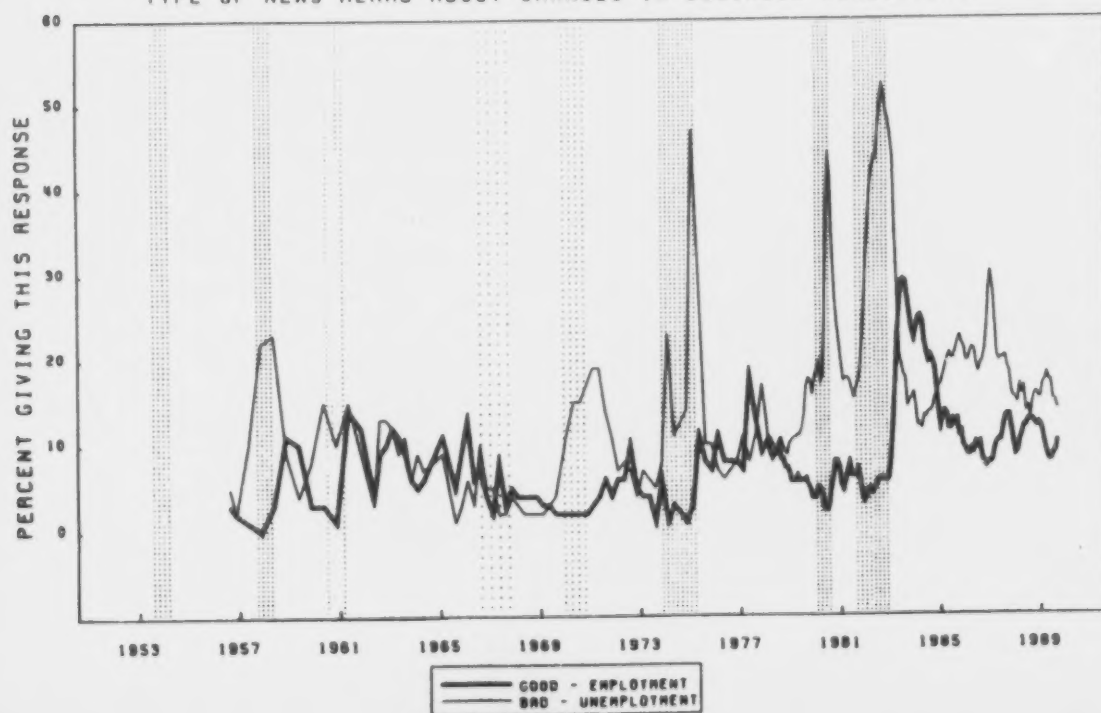


TABLE 11

SELECTED ITEMS OF
NEWS HEARD OF RECENT CHANGES IN BUSINESS CONDITIONS +

	Sept 1988	Oct. 1988	Nov. 1988	Dec. 1988	Jan. 1989	Feb. 1989	Mar. 1989	Apr. 1989	May 1989	June 1989	July 1989	Aug. 1989	Sept 1989
FAVORABLE NEWS:													
Government; elections	3%	2%	2%	4%	2%	5%	3%	1%	1%	1%	*	2%	2%
Employment	11	12	13	12	11	10	8	8	8	8	10	9	12
Higher consumer demand	2	2	2	2	2	1	1	3	2	1	2	1	1
Lower prices	1	1	1	1	*	1	1	*	1	1	1	2	1
Easier credit	1	1	1	1	1	1	1	*	1	4	6	5	4
Stock market	2	2	1	1	2	1	1	1	2	2	2	1	3
Trade deficit	3	2	1	1	1	1	1	1	1	*	1	1	1
UNFAVORABLE NEWS:													
Government; elections	3	5	6	7	7	7	5	4	4	4	5	3	4
Unemployment	18	17	13	16	17	18	17	20	15	17	13	15	14
Lower consumer demand	3	3	2	2	2	4	3	2	4	3	3	3	2
Higher prices	5	3	2	3	2	4	6	6	6	6	2	4	2
Tighter credit	6	4	2	6	4	5	10	12	10	5	3	2	1
Stock market	2	3	3	4	1	1	2	2	2	1	1	1	1
Trade deficit	1	1	4	2	2	3	3	3	2	3	5	3	2

The questions were: "During the last few months, have you heard of any favorable or unfavorable changes in business conditions?" and "What did you hear?"

+ : May add to more than 100% due to multiple mentions.

* : Less than half of one percent.

CHART 12 - RECENT CHANGES
CURRENT BUSINESS CONDITIONS COMPARED WITH A YEAR AGO

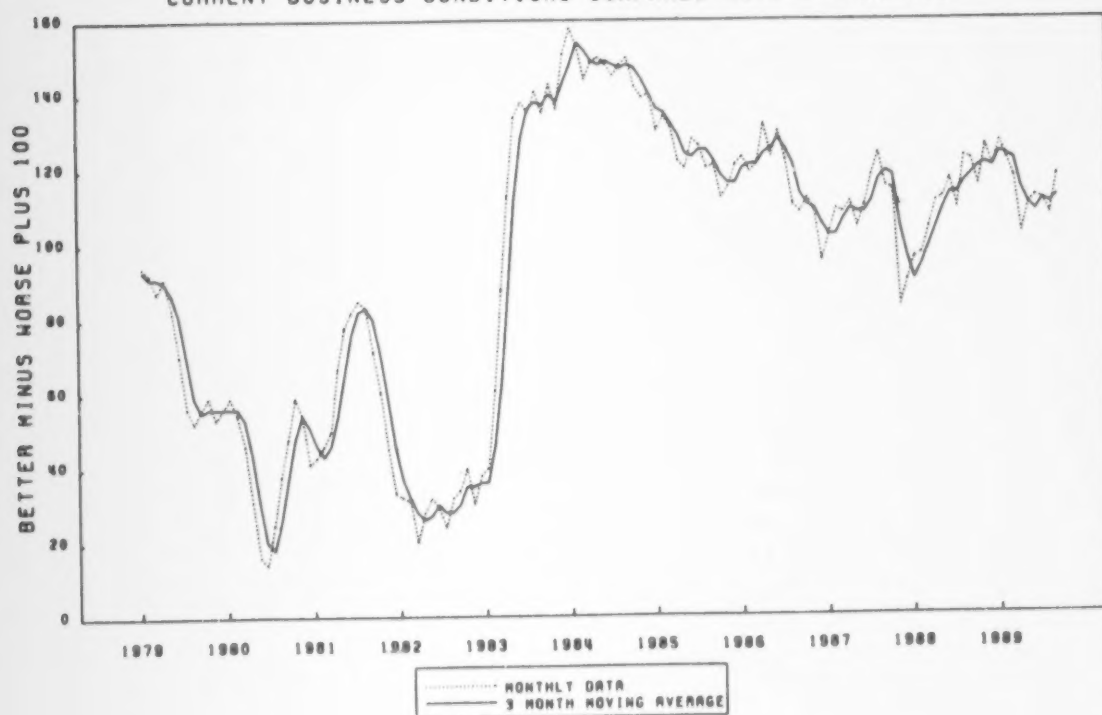


CHART 12 - HISTORICAL SERIES
CURRENT BUSINESS CONDITIONS COMPARED WITH A YEAR AGO

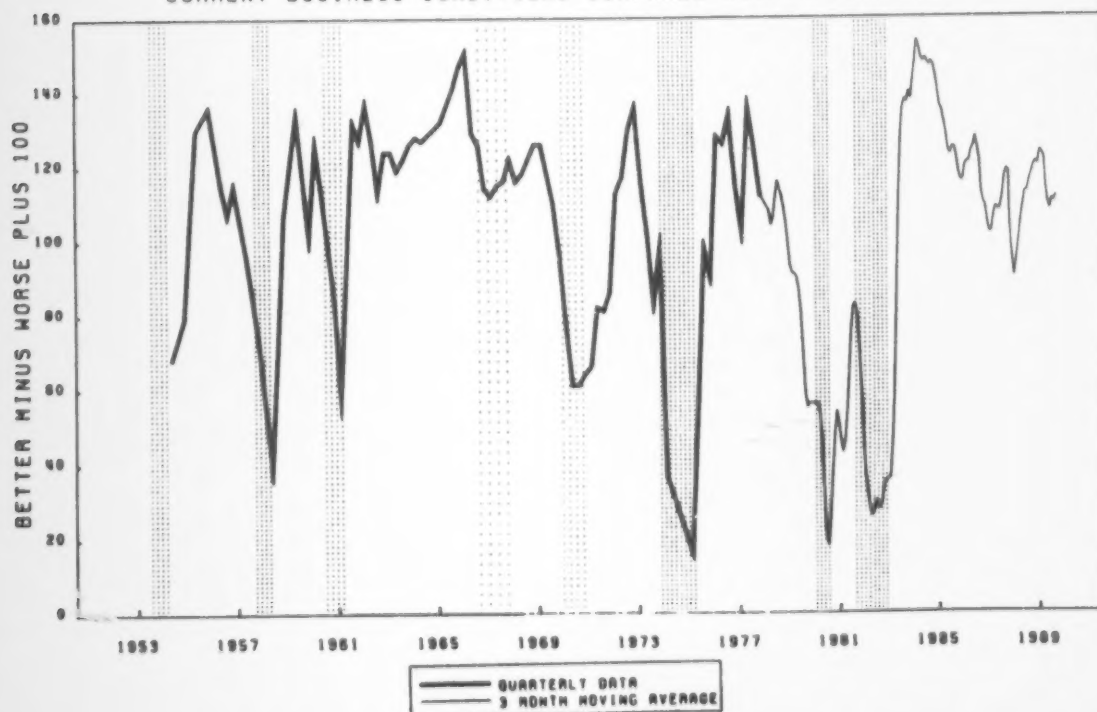


TABLE 12
CURRENT BUSINESS CONDITIONS COMPARED TO A YEAR AGO

	Sept 1988	Oct. 1988	Nov. 1988	Dec. 1988	Jan. 1989	Feb. 1989	Mar. 1989	Apr. 1989	May 1989	June 1989	July 1989	Aug. 1989	Sept 1989
BETTER NOW	50%	46%	54%	49%	53%	48%	47%	41%	44%	45%	43%	42%	48%
SAME	20	21	17	20	19	22	22	18	19	18	22	21	19
WORSE NOW	28	31	28	29	26	26	30	39	34	33	32	35	30
DK,NA	2	2	1	2	2	4	1	2	3	4	3	2	3
TOTAL	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%
CASES	500	501	508	500	501	500	502	500	503	507	501	502	506

The question was: "Would you say that at the present time business conditions are better or worse than they were a year ago?"

CHART 13 - RECENT CHANGES
EXPECTED CHANGE IN BUSINESS CONDITIONS IN A YEAR

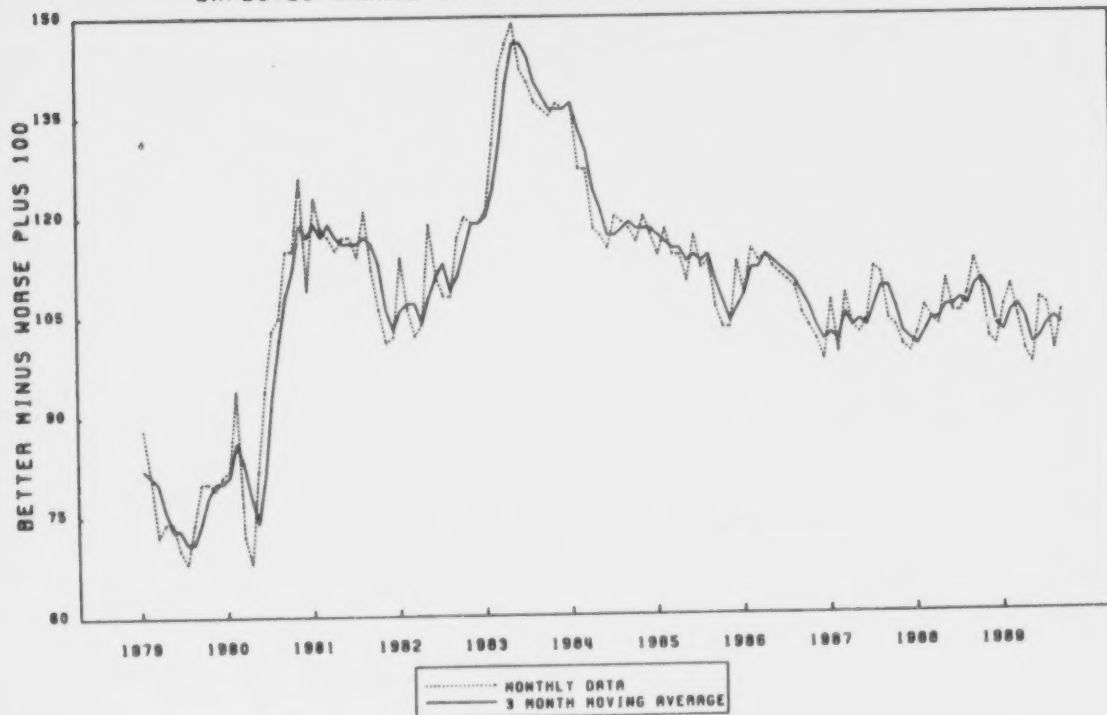


CHART 13 - HISTORICAL SERIES
EXPECTED CHANGE IN BUSINESS CONDITIONS IN A YEAR

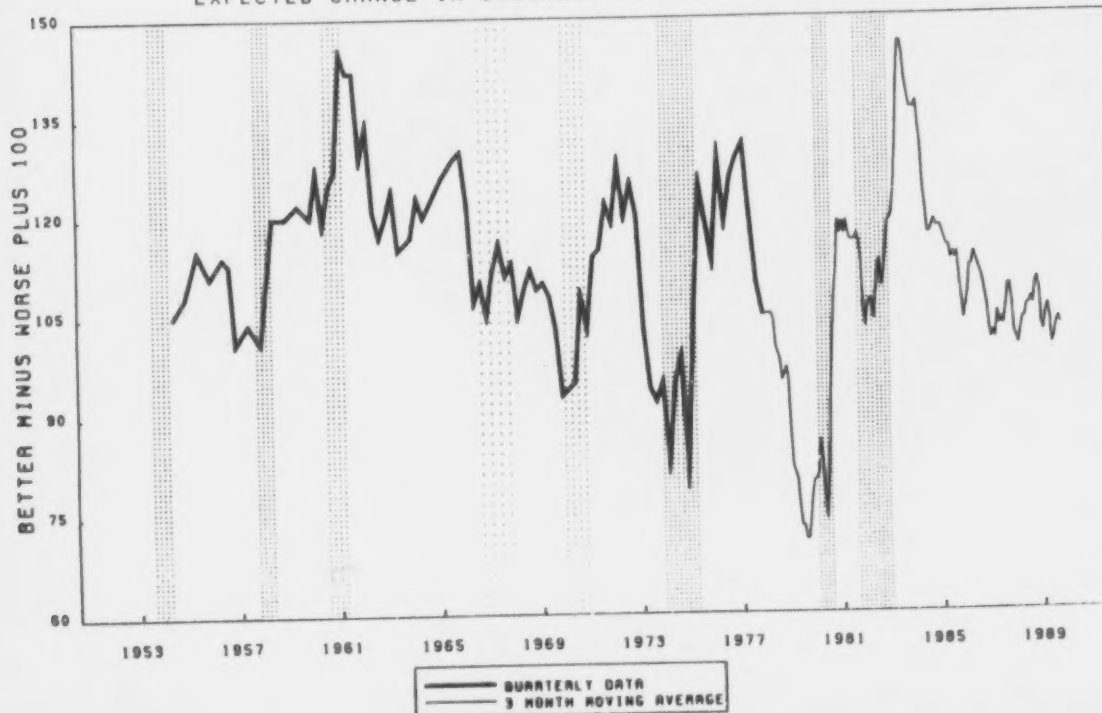


TABLE 13

EXPECTED CHANGE IN BUSINESS CONDITIONS IN A YEAR

	Sept 1988	Oct. 1988	Nov. 1988	Dec. 1988	Jan. 1989	Feb. 1989	Mar. 1989	Apr. 1989	May 1989	June 1989	July 1989	Aug. 1989	Sept 1989
BETTER	27%	23%	19%	19%	23%	26%	22%	20%	19%	24%	20%	18%	21%
SAME	55	59	60	59	56	54	59	57	56	57	63	60	59
WORSE	14	14	18	19	17	17	18	21	22	17	14	19	16
DK,NA	4	4	3	3	4	3	1	2	3	2	3	3	4
TOTAL	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%
CASES	500	501	508	500	501	500	502	500	503	507	501	502	506

The question was: "And how about a year from now, do you expect that in the country as a whole business conditions will be better, or worse than they are at present, or just about the same?"

CHART 14 - RECENT CHANGES
TREND IN PAST AND EXPECTED BUSINESS CONDITIONS

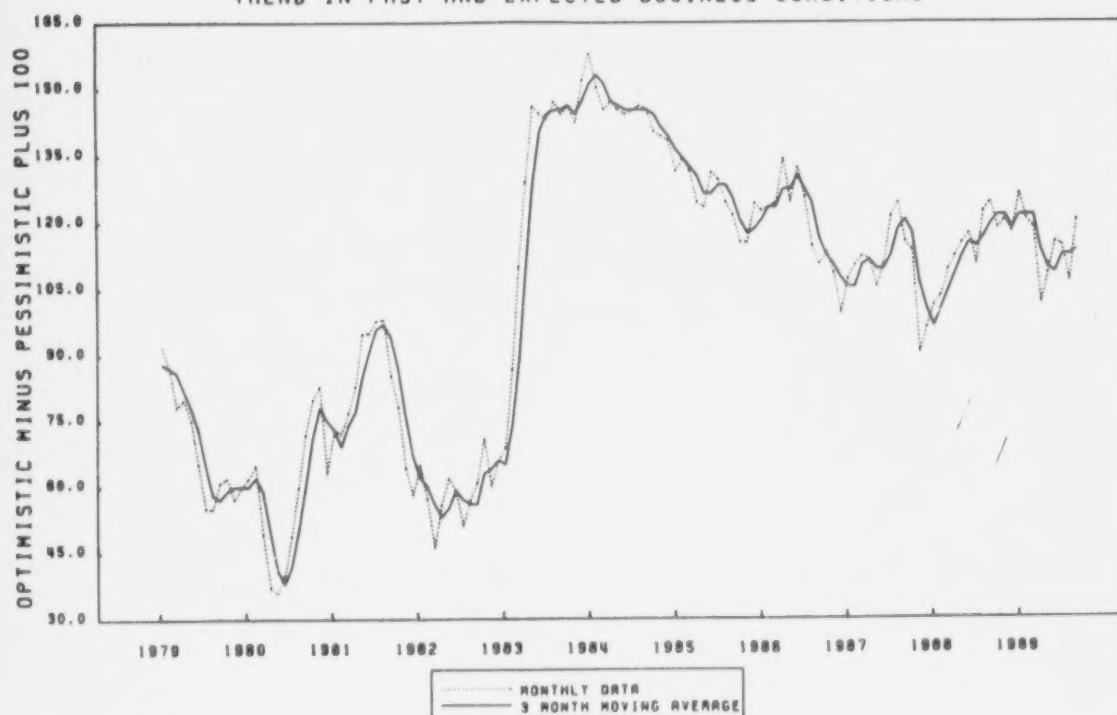


CHART 14 - HISTORICAL SERIES
TREND IN PAST AND EXPECTED BUSINESS CONDITIONS

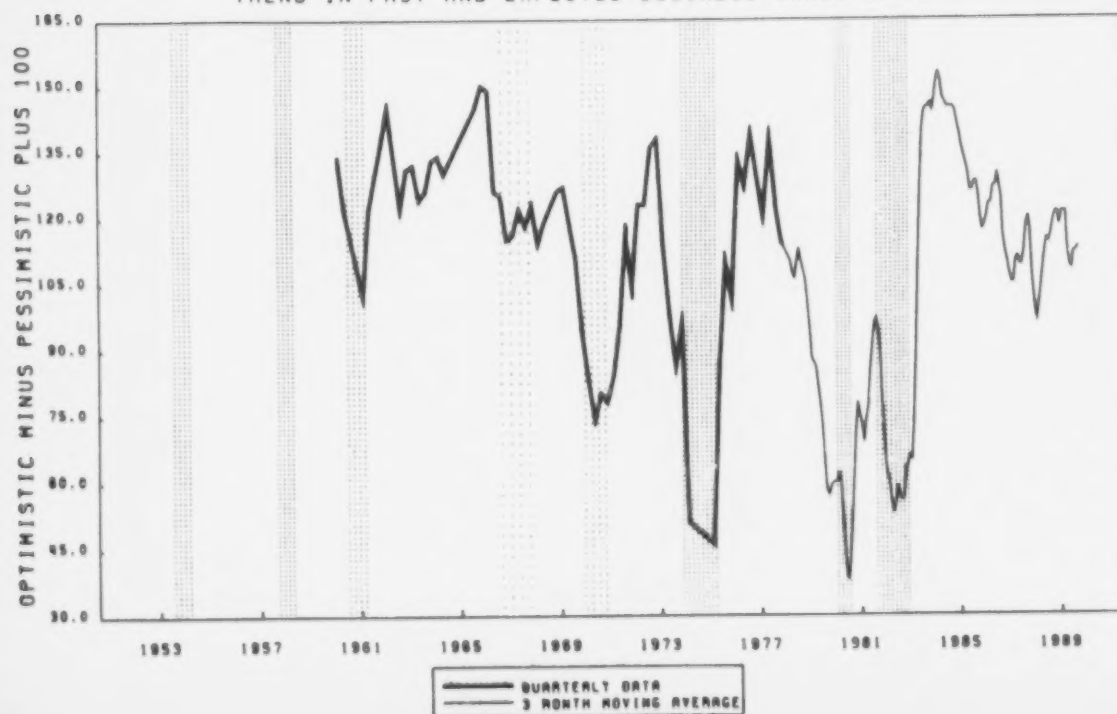


TABLE 14
TREND IN PAST AND EXPECTED CHANGES IN BUSINESS CONDITIONS

	Sept 1988	Oct. 1988	Nov. 1988	Dec. 1988	Jan. 1989	Feb. 1989	Mar. 1989	Apr. 1989	May 1989	June 1989	July 1989	Aug. 1989	Sept 1989
TREND:													
Continuous increase (a)	18%	15%	13%	10%	16%	18%	12%	14%	13%	15%	14%	11%	14%
Intermittant increase (b)	31	31	35	35	34	28	33	24	29	30	30	29	34
Remain unchanged (c)	11	13	10	12	11	13	16	13	12	12	16	14	12
Intermittant decline (d)	19	19	21	19	16	21	16	24	20	18	20	22	18
Continuous decline (e)	6	9	7	9	8	5	11	13	14	12	10	12	10
Mixed change (f)	9	7	10	10	9	10	9	8	7	6	4	7	6
DK, NA	6	6	4	5	6	5	3	4	5	7	6	5	6
TOTAL	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%
CASES	500	501	508	500	501	500	502	500	503	507	501	502	506

Combination of the responses to the questions on Tables 12 and 13.

Key: (a) Better than a year ago/Better a year from now
 (b) Better/Same or Same/Better
 (c) Same/Same
 (d) Worse/Same or Same/Worse
 (e) Worse/Worse
 (f) Worse/Better or Better/Worse

CHART 15 - RECENT CHANGES
BUSINESS CONDITIONS EXPECTED DURING THE NEXT TWELVE MONTHS



CHART 15 - HISTORICAL SERIES
BUSINESS CONDITIONS EXPECTED DURING THE NEXT TWELVE MONTHS

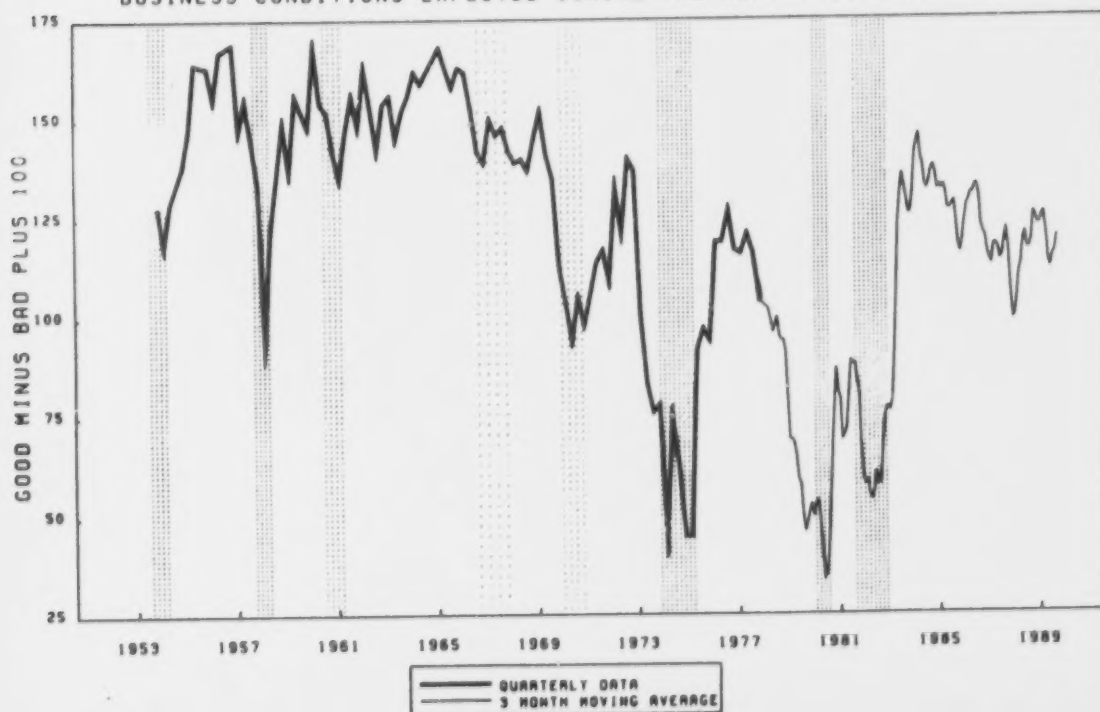


TABLE 15

BUSINESS CONDITIONS EXPECTED DURING THE NEXT 12 MONTHS

	Sept 1988	Oct. 1988	Nov. 1988	Dec. 1988	Jan. 1989	Feb. 1989	Mar. 1989	Apr. 1989	May 1989	June 1989	July 1989	Aug. 1989	Sept 1989
GOOD TIMES	53%	54%	53%	52%	56%	56%	55%	49%	46%	48%	53%	46%	55%
UNCERTAIN; GOOD & BAD	5	7	4	5	4	3	4	3	4	5	4	6	4
BAD TIMES	28	25	31	33	28	28	32	36	39	33	29	37	28
DON'T KNOW	9	8	7	5	7	9	5	6	6	9	7	4	6
NOT ASCERTAINED	5	6	5	5	5	4	4	6	5	5	7	7	7
TOTAL	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%
CASES	500	501	508	500	501	500	502	500	503	507	501	502	506

The question was: "Now turning to business conditions in the country as a whole--do you think that during the next 12 months we'll have good times financially, or bad times or what?"

CHART 16 - RECENT CHANGES
BUSINESS CONDITIONS EXPECTED FOR THE NEXT FIVE YEARS



CHART 16 - HISTORICAL SERIES
BUSINESS CONDITIONS EXPECTED FOR THE NEXT FIVE YEARS

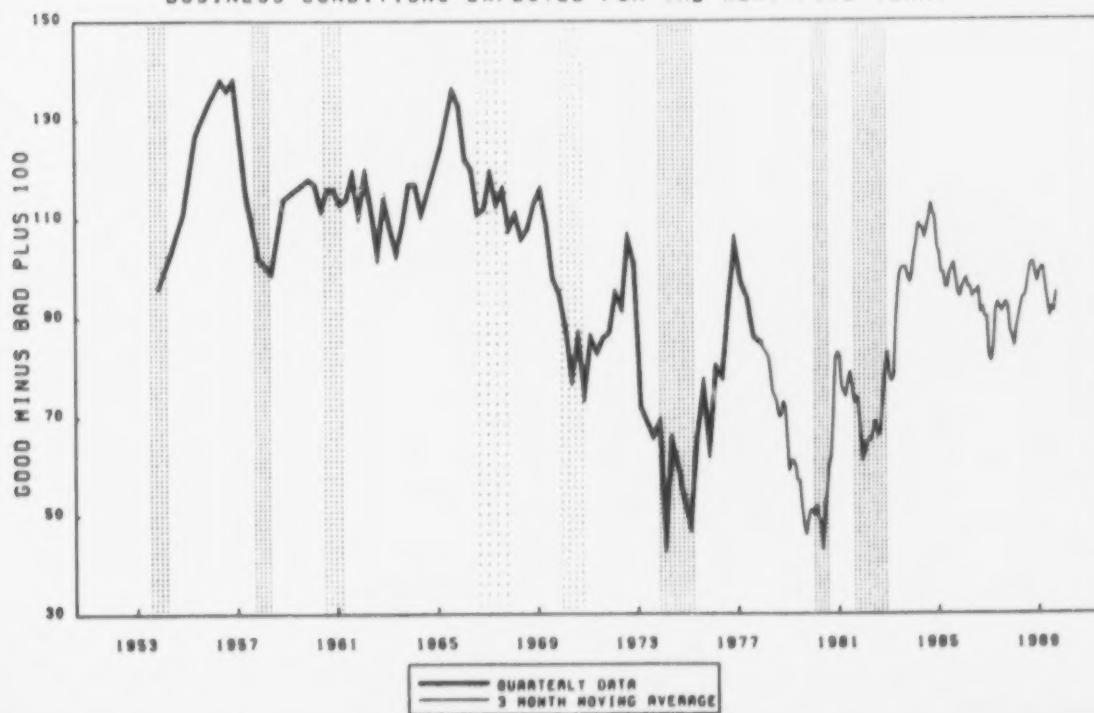


TABLE 16

BUSINESS CONDITIONS EXPECTED DURING THE NEXT FIVE YEARS

	Sept 1988	Oct. 1988	Nov. 1988	Dec. 1988	Jan. 1989	Feb. 1989	Mar. 1989	Apr. 1989	May 1989	June 1989	July 1989	Aug. 1989	Sept 1989
GOOD TIMES	41%	40%	40%	41%	45%	41%	40%	37%	36%	37%	39%	33%	41%
UNCERTAIN; GOOD & BAD	17	12	14	12	9	12	14	13	13	12	13	13	13
BAD TIMES	39	43	43	43	42	42	42	46	47	47	43	45	40
NOT ASCERTAINED	3	5	3	4	4	5	4	4	4	4	5	9	6
TOTAL	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%
CASES	500	501	508	500	501	500	502	500	503	507	501	502	506

The question was: "Looking ahead, which would you say is more likely--that in the country as a whole we'll have continuous good times during the next 5 years or so, or that we will have periods of widespread unemployment or depression, or what?"

CHART 17 - RECENT CHANGES
EXPECTED CHANGE IN UNEMPLOYMENT



CHART 17 - HISTORICAL SERIES
EXPECTED CHANGE IN UNEMPLOYMENT

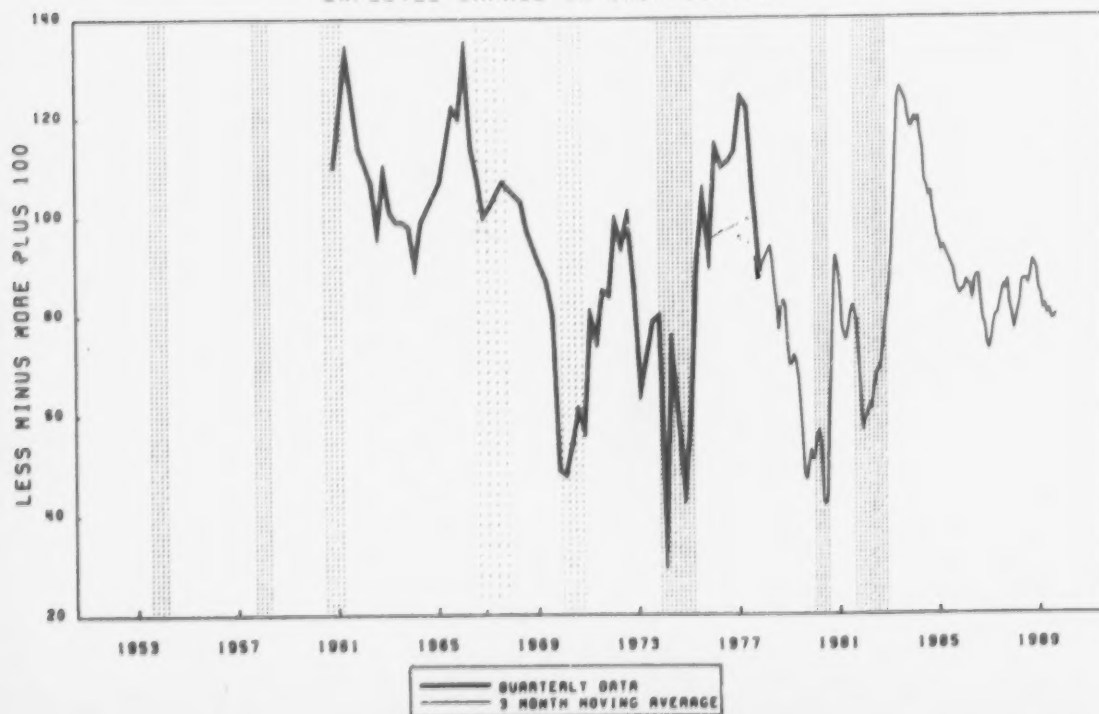


TABLE 17
EXPECTED CHANGE IN UNEMPLOYMENT

	Sept 1988	Oct. 1988	Nov. 1988	Dec. 1988	Jan. 1989	Feb. 1989	Mar. 1989	Apr. 1989	May 1989	June 1989	July 1989	Aug. 1989	Sept 1989
LESS	17%	16%	14%	15%	15%	13%	12%	14%	12%	10%	11%	10%	11%
SAME	52	60	57	55	50	55	53	55	52	59	57	54	61
MORE	27	22	27	28	34	30	33	29	35	29	31	35	26
DK,NA	4	2	2	2	1	2	2	2	1	2	1	1	2
TOTAL	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%
CASES	500	501	508	500	501	500	502	500	503	507	501	502	506

The question was: "How about people out of work during the coming 12 months--do you think that there will be more unemployment than now, about the same, or less?"

CHART 18 - RECENT CHANGES
EXPECTED CHANGE IN INTEREST RATES

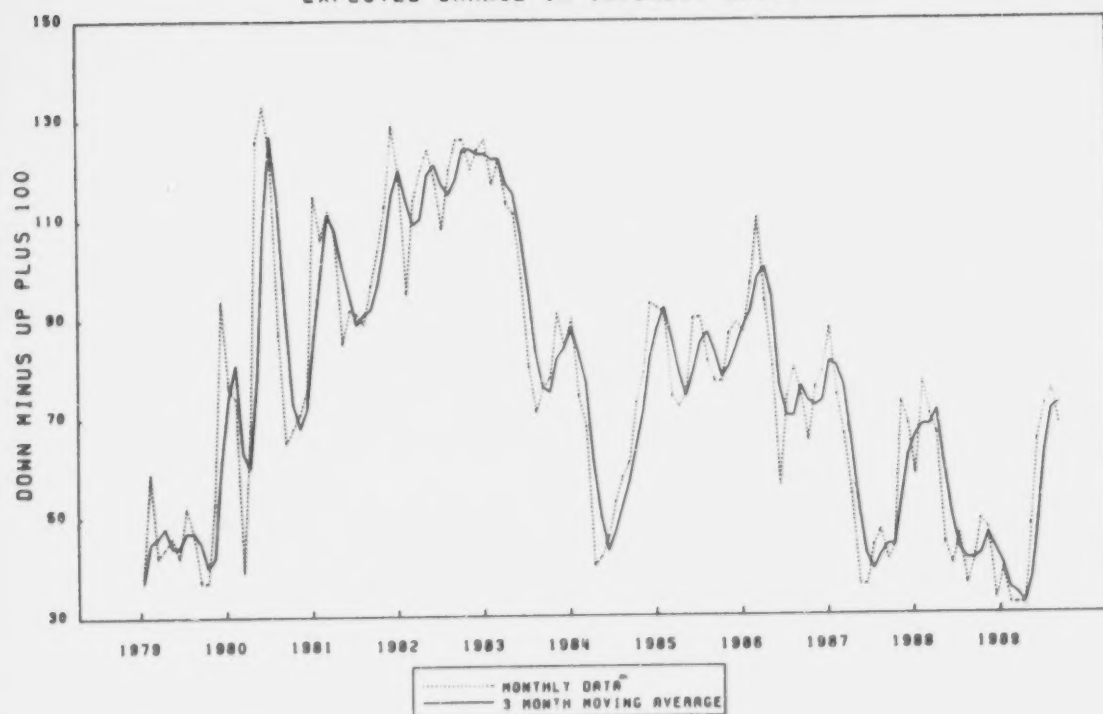


CHART 18 - HISTORICAL SERIES
EXPECTED CHANGE IN INTEREST RATES

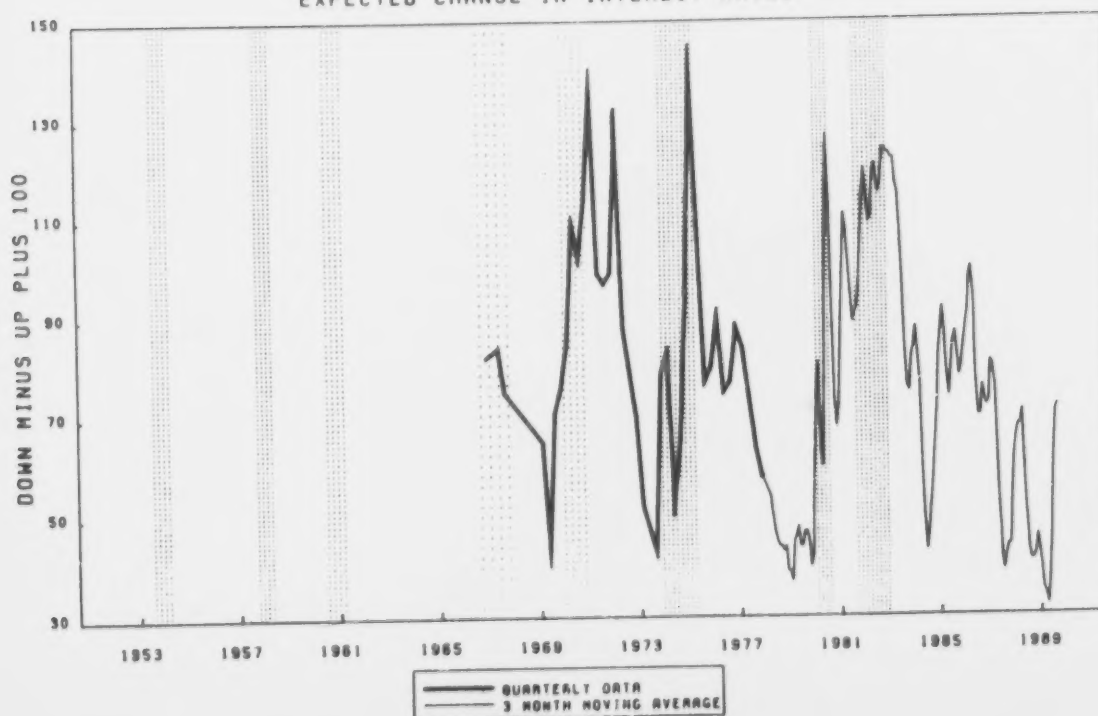


TABLE 18
EXPECTED CHANGE IN INTEREST RATES

	Sept 1988	Oct. 1988	Nov. 1988	Dec. 1988	Jan. 1989	Feb. 1989	Mar. 1989	Apr. 1989	May 1989	June 1989	July 1989	Aug. 1989	Sept 1989
GO UP	67%	62%	62%	74%	68%	75%	73%	75%	64%	54%	51%	49%	50%
STAY THE SAME	21	24	27	16	23	16	20	17	20	24	25	24	30
GO DOWN	8	11	9	7	7	7	5	7	12	19	23	24	18
DK,NA	4	3	2	3	2	2	2	1	4	3	1	3	2
TOTAL	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%
CASES	500	501	508	500	501	500	502	500	503	507	501	502	506

The question was: "No one can say for sure, but what do you think will happen to interest rates for borrowing money during the next 12 months--will they go up, stay the same, or go down?"

CHART 19 - RECENT CHANGES
MEAN EXPECTED PRICE INCREASE OVER THE NEXT 12 MONTHS

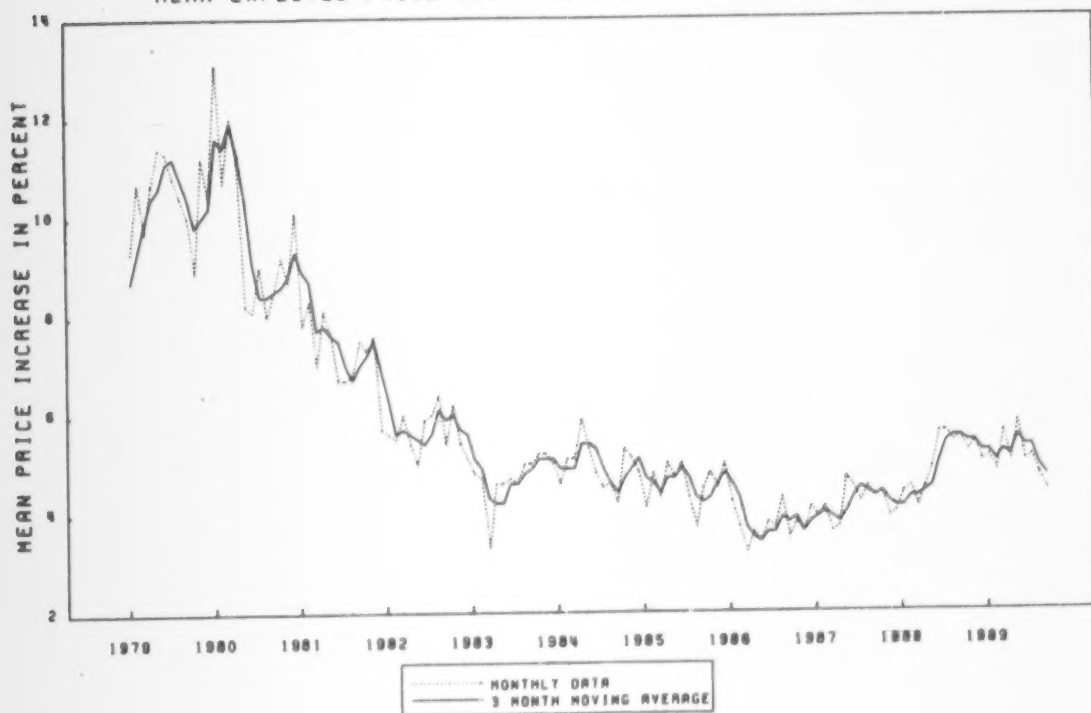


CHART 19 - HISTORICAL SERIES
MEAN EXPECTED PRICE INCREASE OVER THE NEXT 12 MONTHS

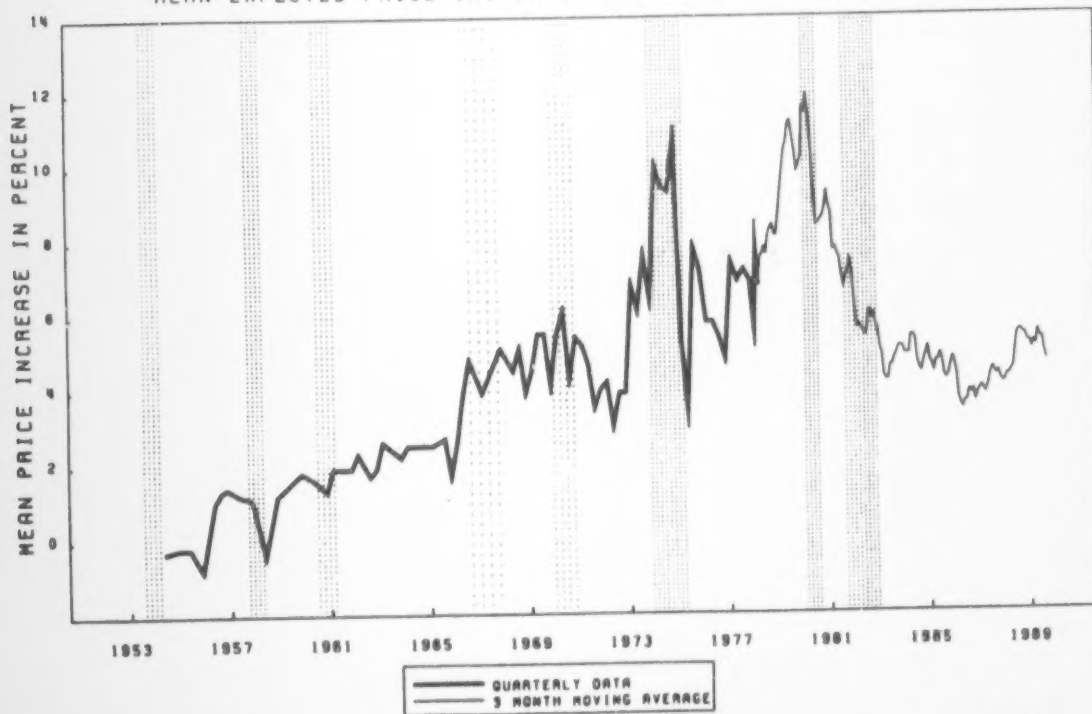


TABLE 19

EXPECTED CHANGE IN PRICES DURING THE NEXT 12 MONTHS

	Sept 1988	Oct. 1988	Nov. 1988	Dec. 1988	Jan. 1989	Feb. 1989	Mar. 1989	Apr. 1989	May 1989	June 1989	July 1989	Aug. 1989	Sept 1989
SAME OR DOWN	8%	9%	11%	10%	10%	11%	12%	8%	10%	10%	10%	13%	13%
WILL GO UP BY:													
1-2%	16	20	15	16	20	15	18	17	16	18	18	18	21
3-4%	25	21	28	26	23	24	23	23	19	24	21	23	24
5%	21	20	18	20	19	22	17	21	23	19	22	21	21
6-9%	10	8	8	8	9	10	9	10	9	9	9	6	6
10-14%	7	9	9	11	7	8	9	10	11	10	8	9	6
15% or more	6	5	5	4	6	4	7	5	7	5	5	3	3
DK how much up	6	6	5	4	5	5	4	6	4	5	6	6	5
DK, NA	1	2	1	1	1	1	1	*	1	*	1	1	1
TOTAL	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%
MEAN INCREASE	5.5	5.2	5.4	5.0	5.1	4.8	5.6	5.0	5.8	5.0	5.1	4.7	4.4
VARIANCE	52	40	55	32	41	29	64	24	49	34	39	42	32
CASES	500	501	508	500	501	500	502	500	503	507	501	502	506

The questions were: "During the next 12 months, do you think that prices in general will go up, or go down, or stay where they are now?" and "By about what percent do you expect prices to go up, on the average, during the next 12 months?"

* : Less than half of one percent.

CHART 20 - RECENT CHANGES
OPINIONS ABOUT THE GOVERNMENT'S ECONOMIC POLICY

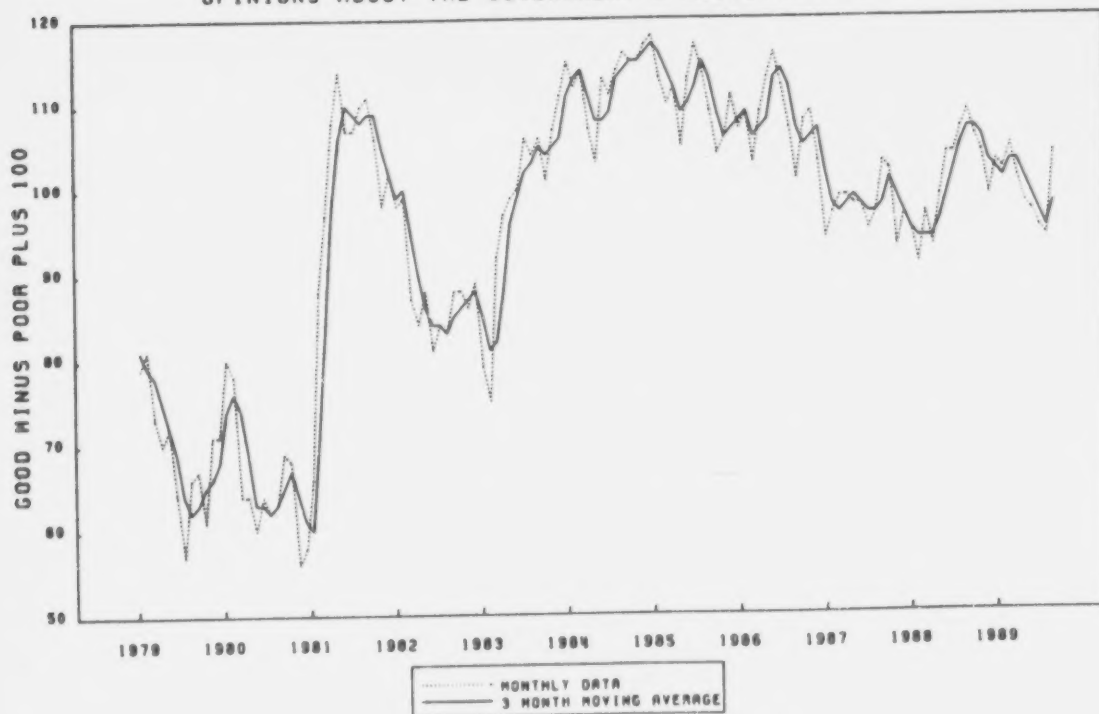


CHART 20 - HISTORICAL SERIES
OPINIONS ABOUT THE GOVERNMENT'S ECONOMIC POLICY

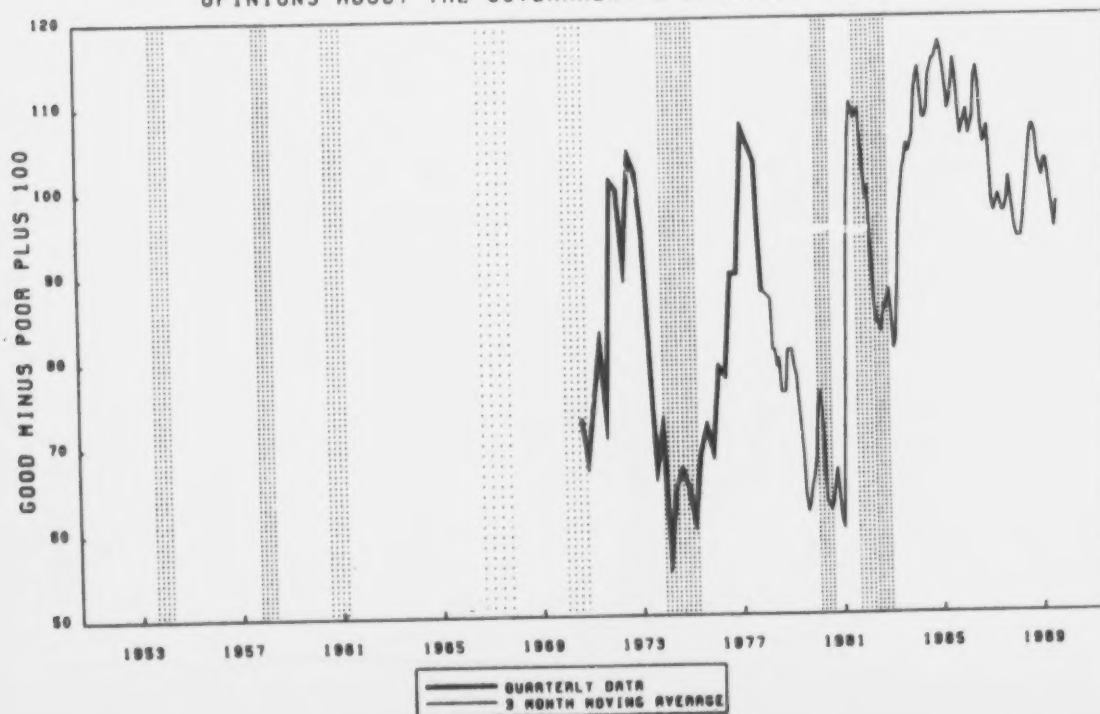


TABLE 20

OPINIONS ABOUT THE GOVERNMENT'S ECONOMIC POLICY

	Sept 1988	Oct. 1988	Nov. 1988	Dec. 1988	Jan. 1989	Feb. 1989	Mar. 1989	Apr. 1989	May 1989	June 1989	July 1989	Aug. 1989	Sept 1989
A GOOD JOB	29%	26%	27%	20%	27%	23%	25%	19%	19%	20%	18%	18%	21%
ONLY FAIR	49	51	49	57	48	51	52	59	57	55	56	56	60
A POOR JOB	20	20	23	21	24	21	20	18	21	23	23	24	17
DK,NA	2	3	1	2	1	5	3	4	3	2	3	2	2
TOTAL	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%
CASES	500	501	508	500	501	500	502	500	503	507	501	502	506

The question was: "As to the economic policy of the government--I mean steps taken to fight inflation or unemployment--would you say the government is doing a good job, only fair, or a poor job?"

CHART 21 - RECENT CHANGES
BUYING CONDITIONS FOR LARGE HOUSEHOLD GOODS

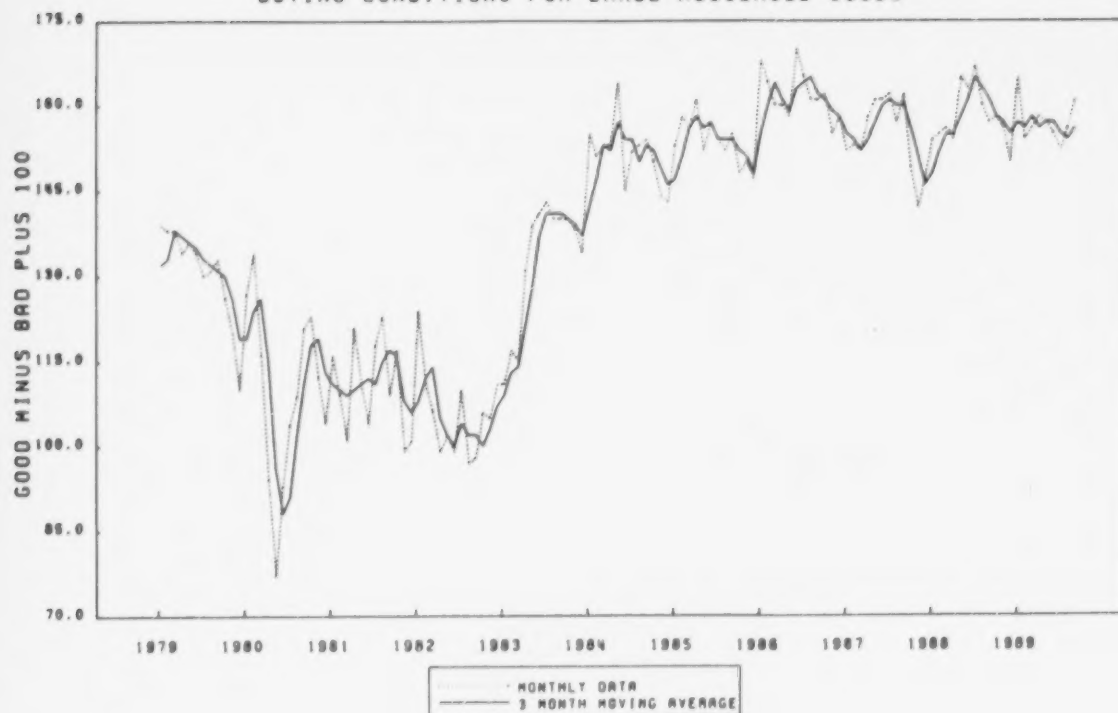


CHART 21 - HISTORICAL SERIES
BUYING CONDITIONS FOR LARGE HOUSEHOLD GOODS

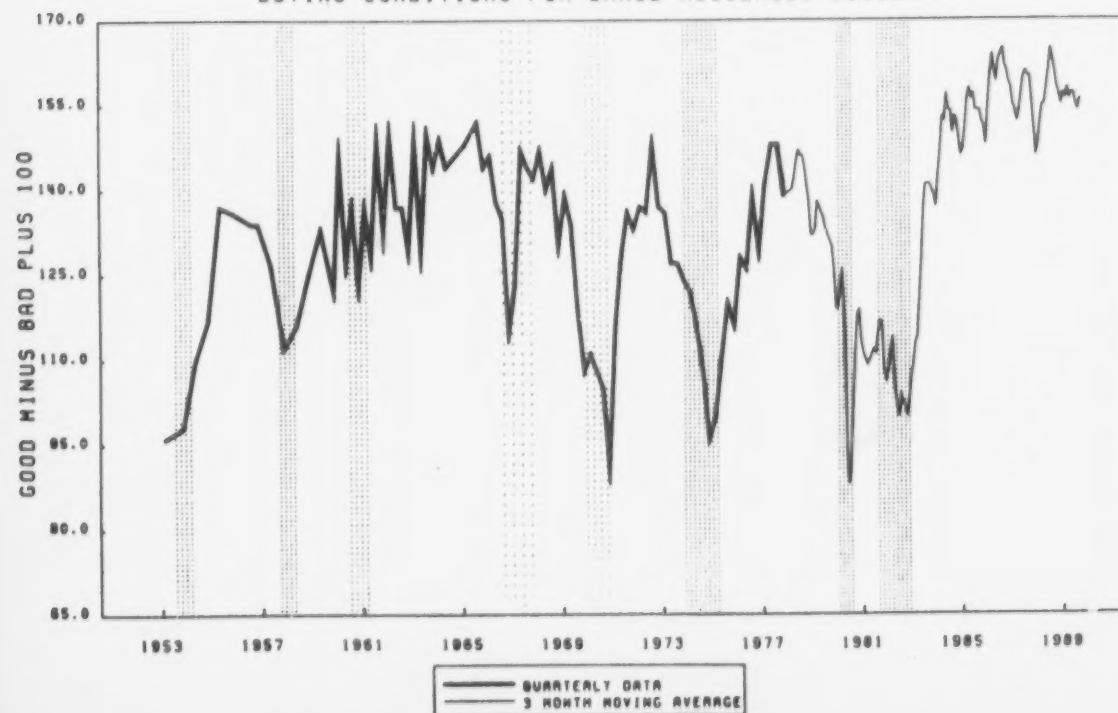


TABLE 21
BUYING CONDITIONS FOR LARGE HOUSEHOLD GOODS

	Sept 1988	Oct. 1988	Nov. 1988	Dec. 1988	Jan. 1989	Feb. 1989	Mar. 1989	Apr. 1989	May 1989	June 1989	July 1989	Aug. 1989	Sept 1989
GOOD TIME TO BUY	71%	73%	73%	70%	78%	71%	72%	75%	73%	71%	71%	73%	75%
UNCERTAIN, DEPENDS	15	12	10	10	9	12	12	8	11	13	10	10	11
BAD TIME TO BUY	14	15	17	20	13	17	16	17	16	16	19	17	14
TOTAL	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%
CASES	500	501	508	500	501	500	502	500	503	507	501	502	506

The question was: "About the big things people buy for their homes--such as furniture, a refrigerator, stove, television, and things like that. Generally speaking, do you think now is a good or a bad time for people to buy major household items?"

CHART 22A - HISTORICAL SERIES
REASONS FOR OPINIONS ABOUT BUYING CONDITIONS FOR DURABLES

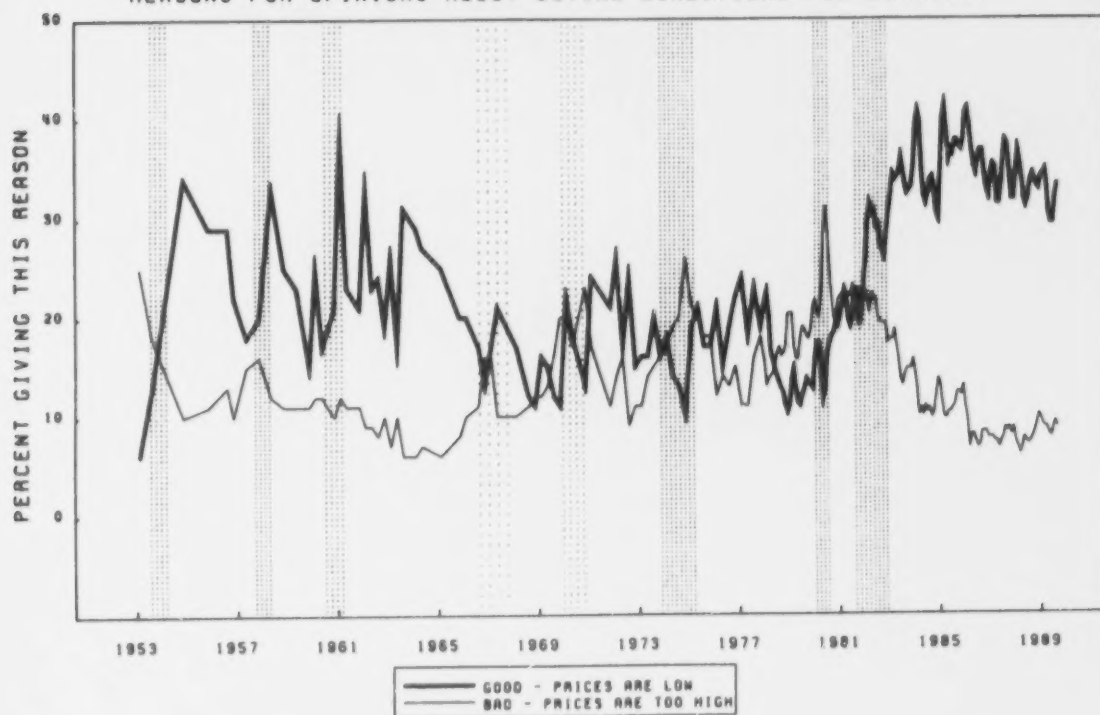


CHART 22B - HISTORICAL SERIES
REASONS FOR OPINIONS ABOUT BUYING CONDITIONS FOR DURABLES

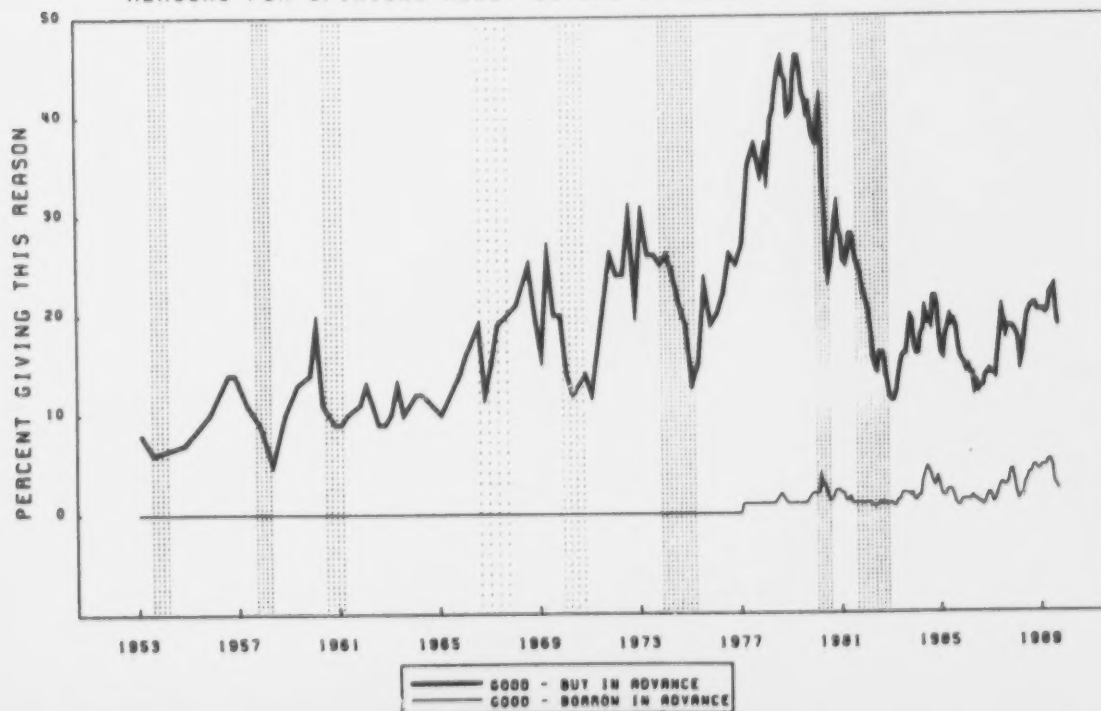


TABLE 22

SELECTED REASONS FOR OPINIONS ABOUT BUYING CONDITIONS FOR LARGE HOUSEHOLD GOODS +

	Sept 1988	Oct. 1988	Nov. 1988	Dec. 1988	Jan. 1989	Feb. 1989	Mar. 1989	Apr. 1989	May 1989	June 1989	July 1989	Aug. 1989	Sept 1989
GOOD TIME TO BUY:													
Prices are low; good buys available	33%	32%	34%	32%	36%	35%	33%	31%	27%	30%	31%	35%	34%
Prices won't come down; are going higher	21	21	19	21	21	19	20	22	24	21	23	16	17
Interest rates are low	7	7	8	4	5	4	6	4	5	5	7	7	7
Borrow-in-advance of rising interest rates	5	4	4	5	5	4	5	7	4	3	2	3	2
Times are good; prosperity	5	8	5	7	7	9	7	8	6	6	5	2	8
BAD TIME TO BUY:													
Prices are high	8	8	11	11	7	9	10	7	7	9	10	9	7
Interest rates are high; credit is tight	3	4	3	5	2	5	5	8	5	6	4	4	2
Times are bad; can't afford to buy	2	4	3	3	4	5	4	4	4	3	3	2	4
Bad times ahead; uncertain future	3	2	1	3	3	3	1	2	3	3	3	3	2

Responses to the query: "Why do you say so?" following the question on Table 21.

+ : May add to more than 100% due to multiple mentions.

CHART 22C - HISTORICAL SERIES
REASONS FOR OPINIONS ABOUT BUYING CONDITIONS FOR DURABLES

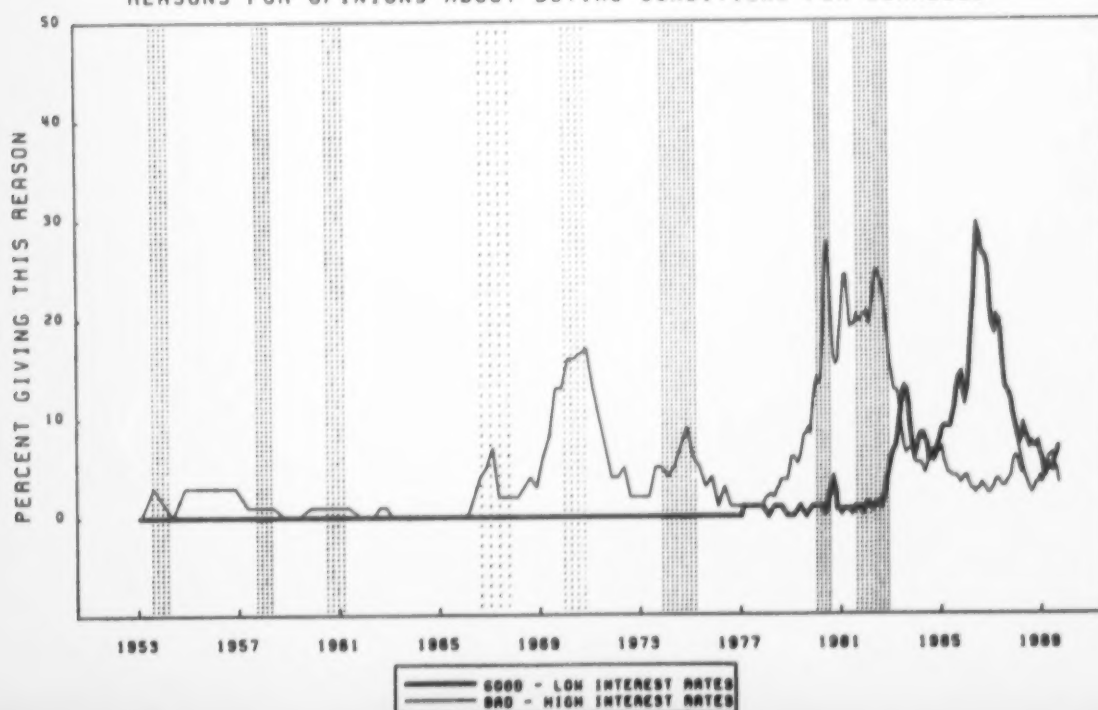


CHART 23 - RECENT CHANGES
BUYING CONDITIONS FOR HOUSES

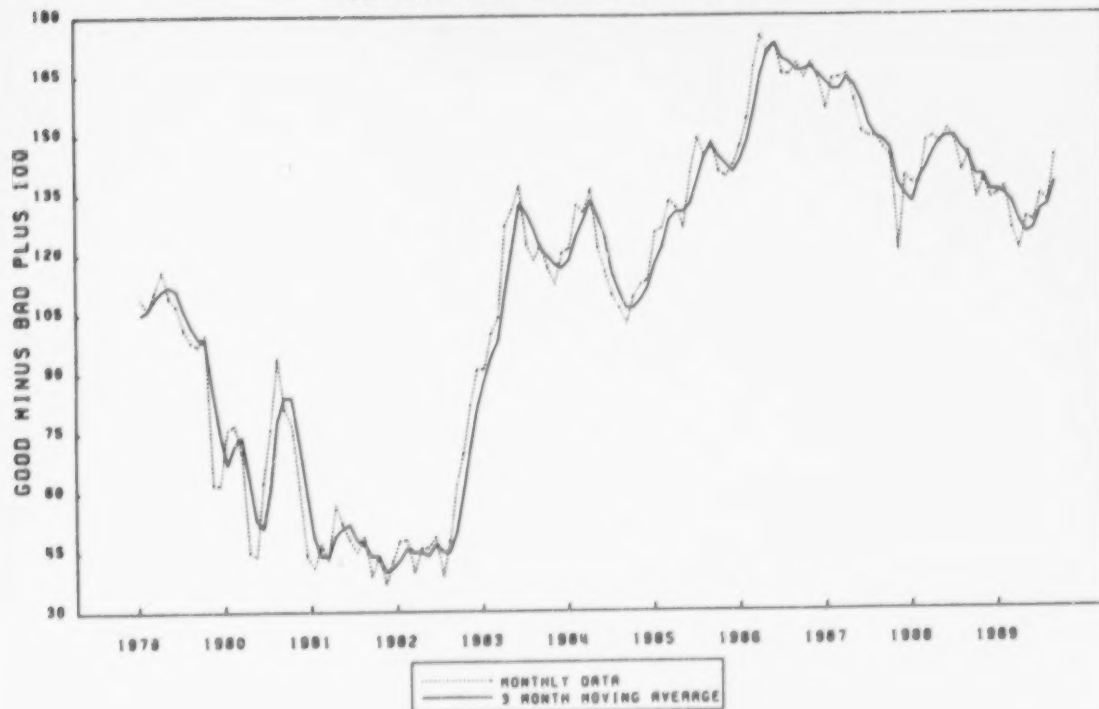


CHART 23 - HISTORICAL SERIES
BUYING CONDITIONS FOR HOUSES

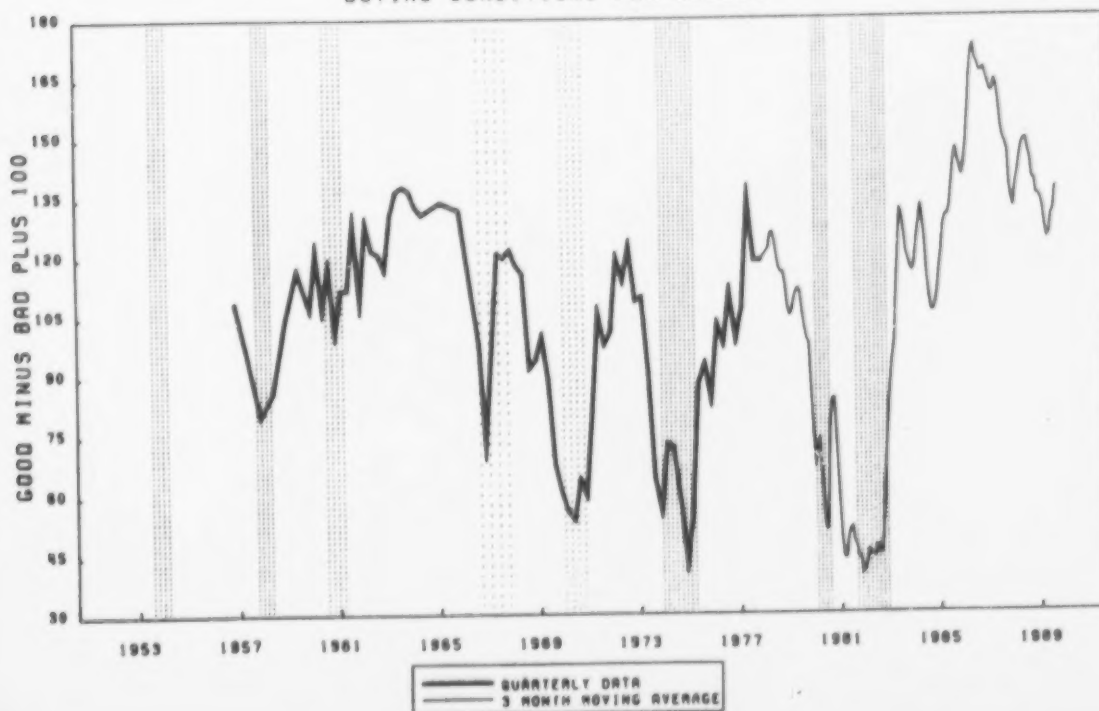


TABLE 23
BUYING CONDITIONS FOR HOUSES

	Sept 1988	Oct. 1988	Nov. 1988	Dec. 1988	Jan. 1989	Feb. 1989	Mar. 1989	Apr. 1989	May 1989	June 1989	July 1989	Aug. 1989	Sept 1989
GOOD TIME TO BUY	70%	64%	67%	63%	64%	64%	60%	58%	61%	61%	64%	64%	70%
UNCERTAIN, DEPENDS	5	5	4	7	6	8	5	4	6	5	6	4	4
BAD TIME TO BUY	25	31	29	30	30	28	35	38	33	34	30	32	26
TOTAL	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%
CASES	500	501	508	500	501	500	502	500	503	507	501	502	506

The question was: "Generally speaking, do you think now is a good time or a bad time to buy a house?"

CHART 24A - HISTORICAL SERIES
REASONS FOR OPINIONS ABOUT BUYING CONDITIONS FOR HOUSES

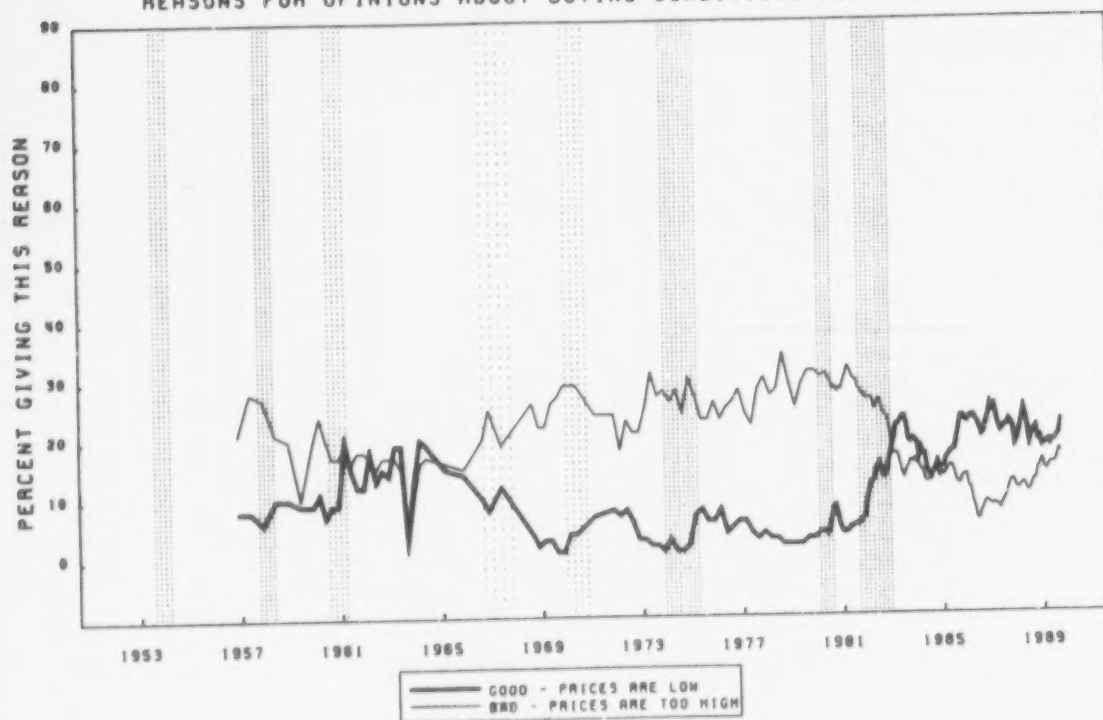


CHART 24B - HISTORICAL SERIES
REASONS FOR OPINIONS ABOUT BUYING CONDITIONS FOR HOUSES

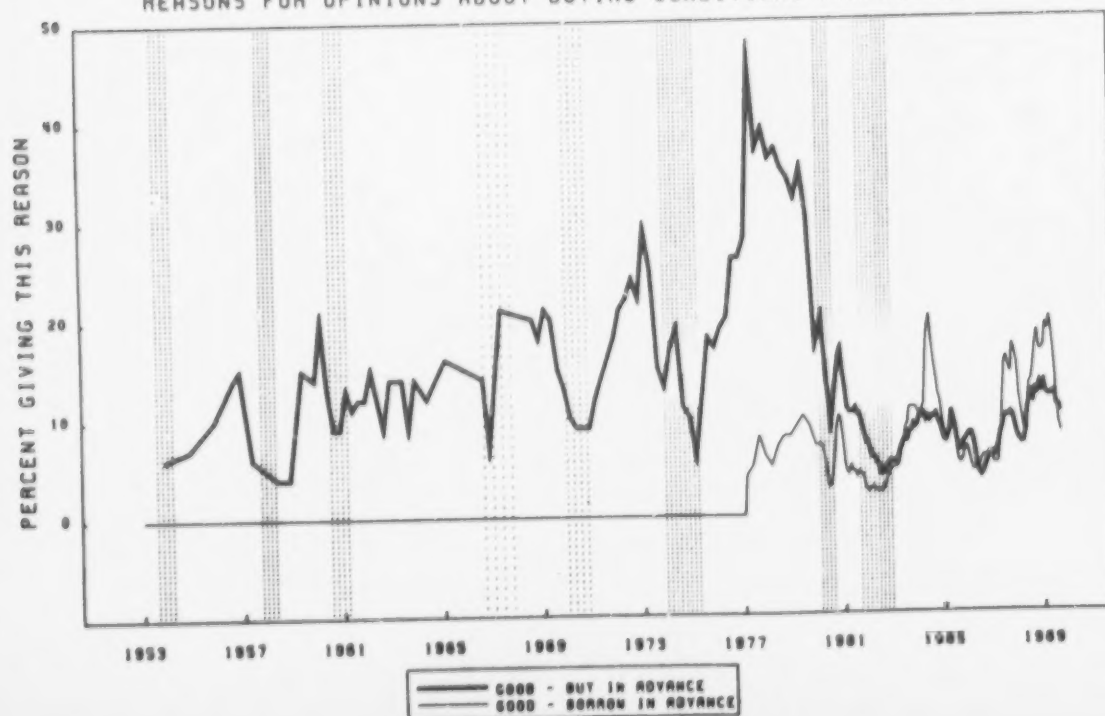


TABLE 24

SELECTED REASONS FOR OPINIONS ABOUT BUYING CONDITIONS FOR HOUSES +

	Sept 1988	Oct. 1988	Nov. 1988	Dec. 1988	Jan. 1989	Feb. 1989	Mar. 1989	Apr. 1989	May 1989	June 1989	July 1989	Aug. 1989	Sept 1989
GOOD TIME TO BUY:													
Prices are low; good buys available	21%	18%	19%	16%	19%	20%	17%	17%	22%	17%	19%	23%	25%
Prices won't come down; are going higher	15	11	13	13	13	10	12	13	11	12	9	11	10
Interest rates are low	22	25	33	19	22	20	17	16	16	22	27	28	36
Borrow-in-advance of rising interest rates	21	15	13	21	16	20	19	20	15	11	8	8	8
Good investment	9	9	10	8	7	7	9	6	8	9	8	6	7
Times are good; prosperity	4	4	3	3	4	5	2	4	4	3	5	3	4

BAD TIME TO BUY:

Prices are high	11	18	15	14	14	13	16	16	13	16	18	18	14
Interest rates are high; credit is tight	14	16	12	18	16	12	24	28	25	23	15	15	14
Times are bad; can't afford to buy	4	5	6	3	5	6	7	7	6	5	6	6	6
Bad times ahead; uncertain future	2	3	3	5	4	3	3	4	3	2	2	2	2

Responses to the query: "Why do you say so?" following the question on Table 23.
+ : May add to more than 100% due to multiple mentions.

CHART 24C - HISTORICAL SERIES
REASONS FOR OPINIONS ABOUT BUYING CONDITIONS FOR HOUSES

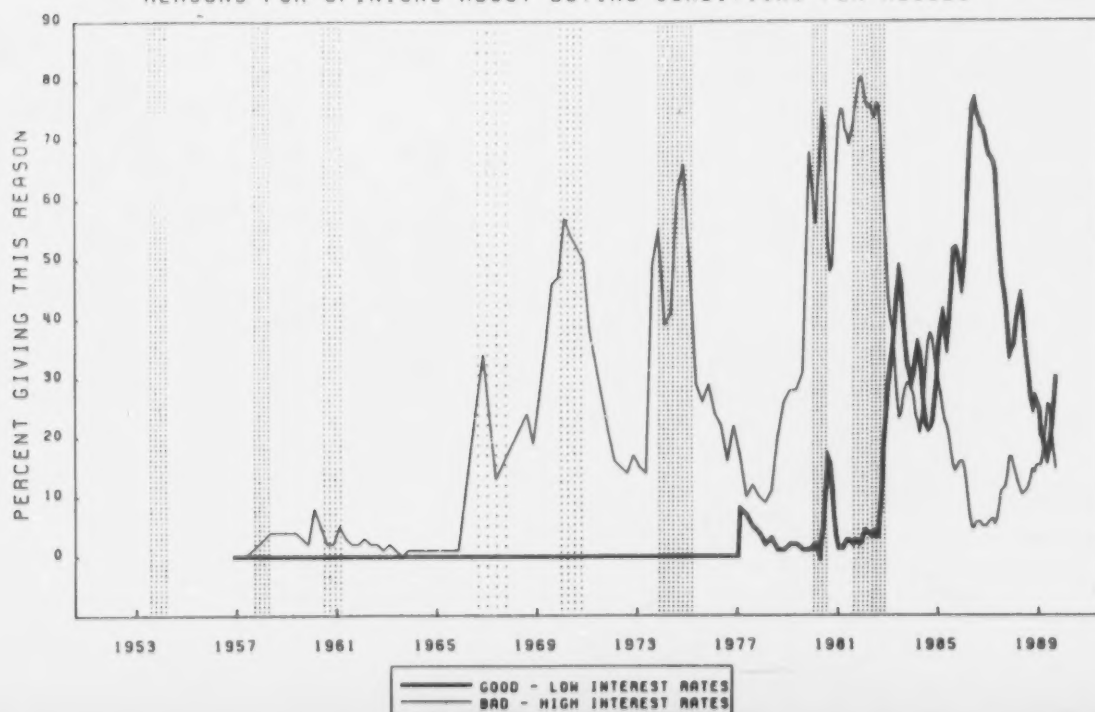


CHART 25 - RECENT CHANGES
BUYING CONDITIONS FOR CARS

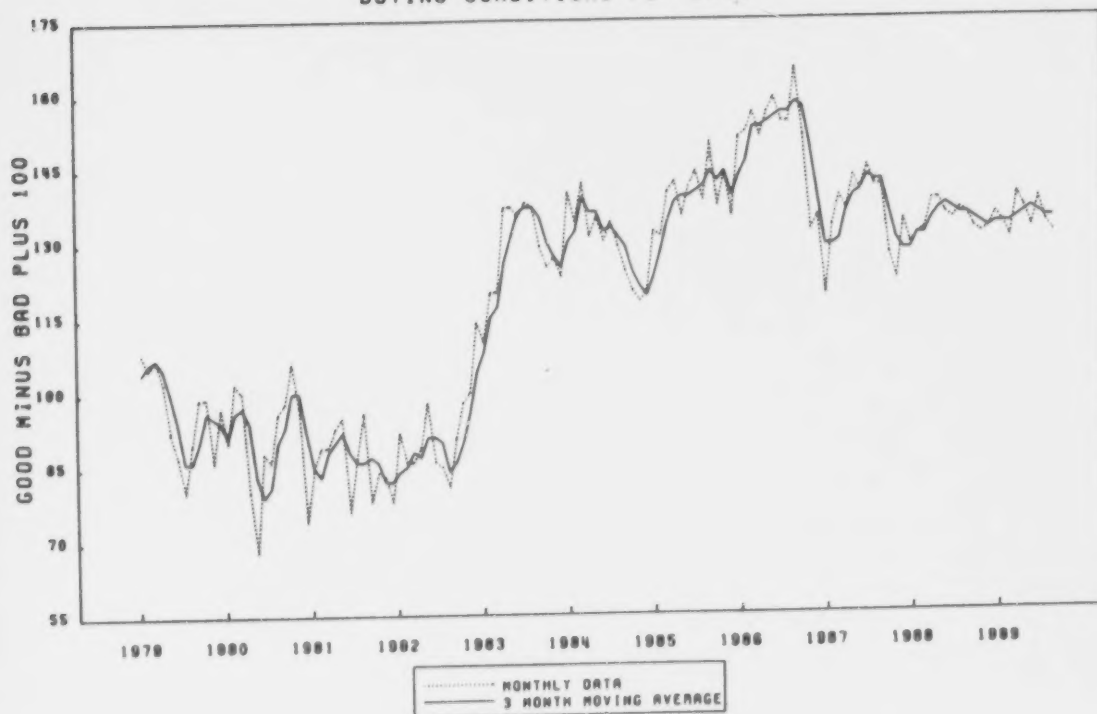


CHART 25 - HISTORICAL SERIES
BUYING CONDITIONS FOR CARS

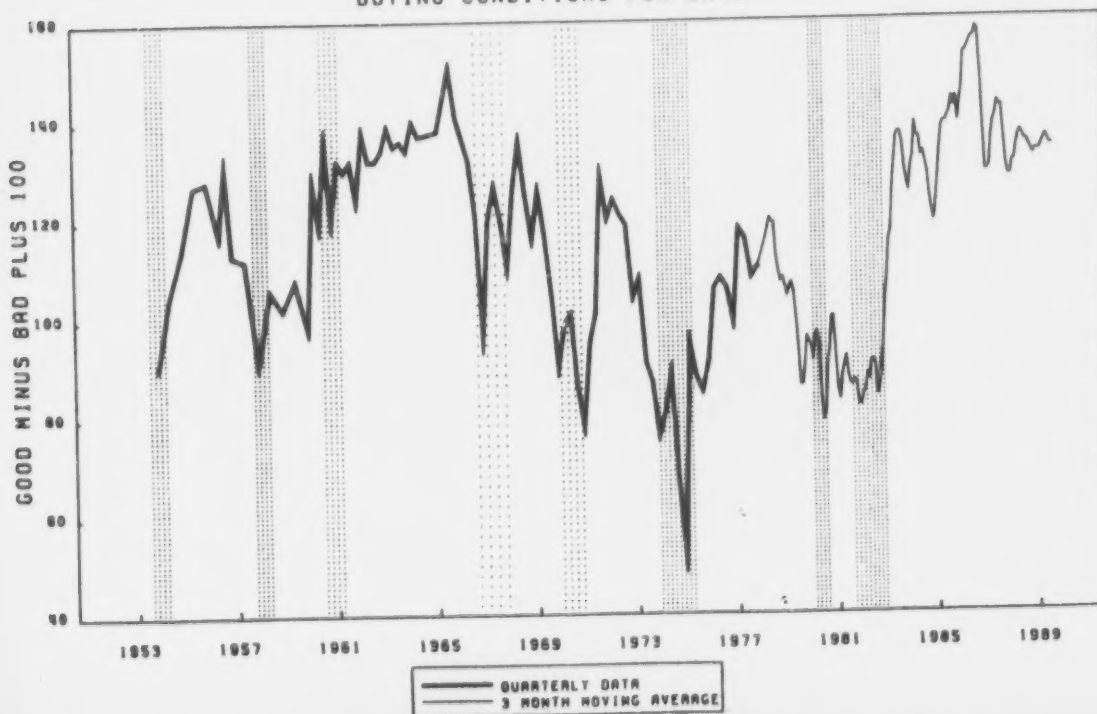


TABLE 25

BUYING CONDITIONS FOR CARS

	Sept 1988	Oct. 1988	Nov. 1988	Dec. 1988	Jan. 1989	Feb. 1989	Mar. 1989	Apr. 1989	May 1989	June 1989	July 1989	Aug. 1989	Sept 1989
GOOD TIME TO BUY	61%	60%	61%	61%	62%	61%	61%	65%	63%	61%	64%	61%	61%
UNCERTAIN; DEPENDS	13	12	9	10	11	11	8	9	10	10	10	11	9
BAD TIME TO BUY	26	28	30	29	27	28	31	26	27	29	26	28	30
TOTAL	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%
CASES	500	501	508	500	501	500	502	500	503	507	501	502	506

The question was: "Speaking now of the automobile market--do you think the next 12 months or so will be a good time or a bad time to buy a car?"

CHART 26A - HISTORICAL SERIES
REASONS FOR OPINIONS ABOUT BUYING CONDITIONS FOR CARS

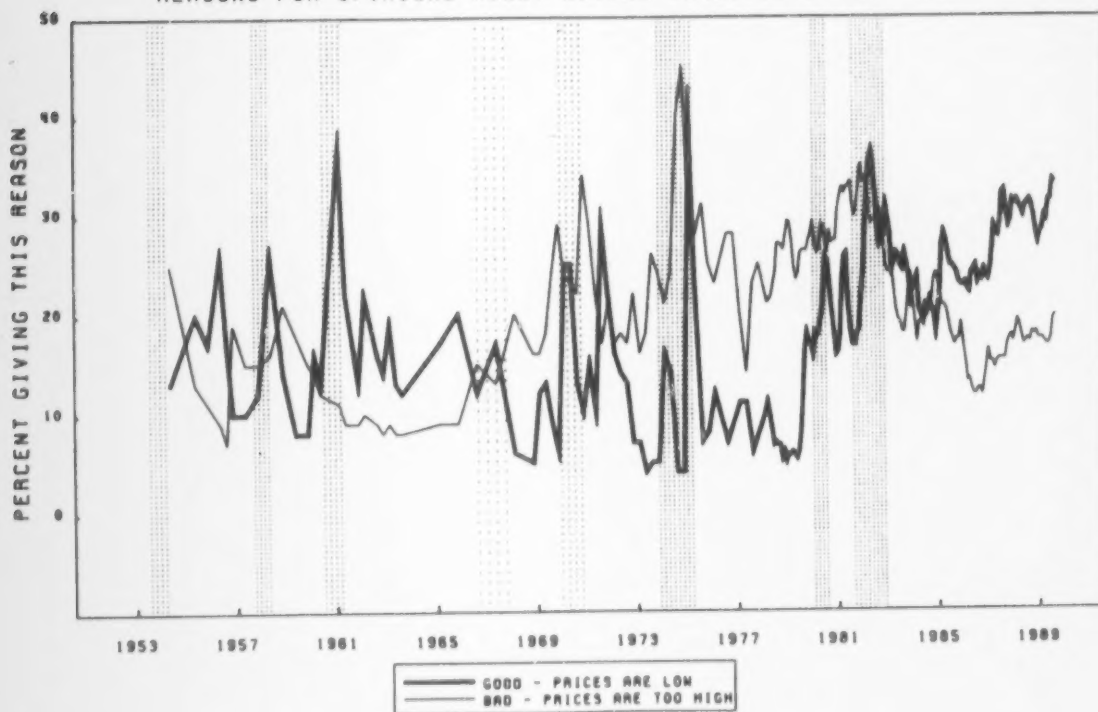


CHART 26B - HISTORICAL SERIES
REASONS FOR OPINIONS ABOUT BUYING CONDITIONS FOR CARS

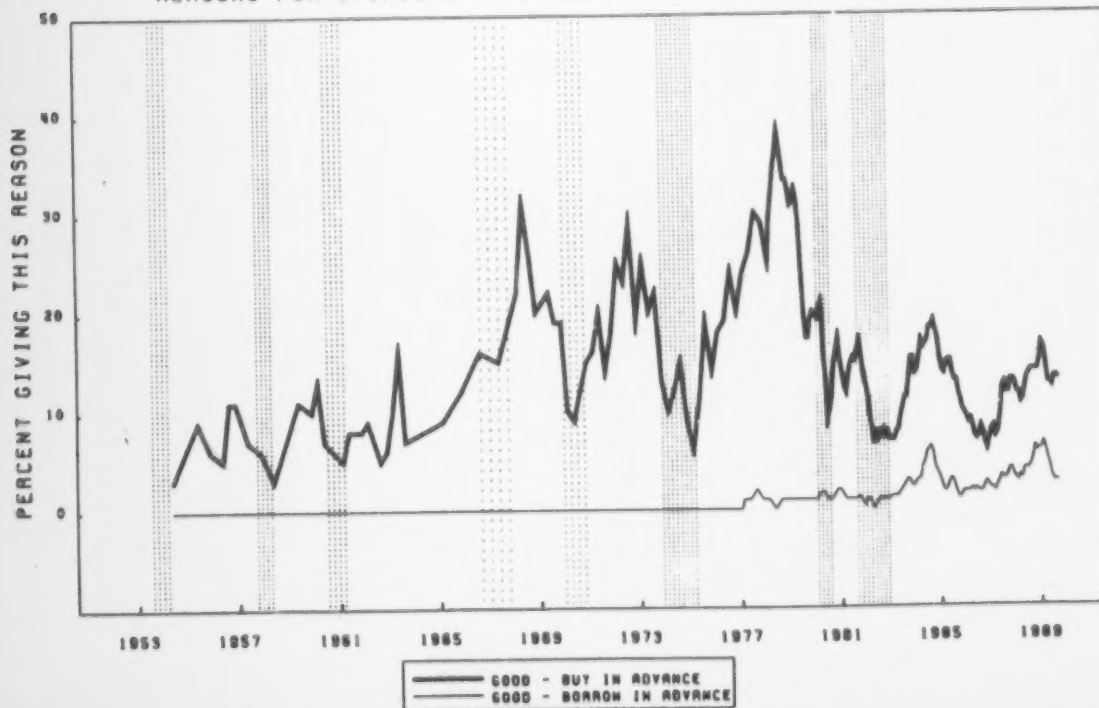


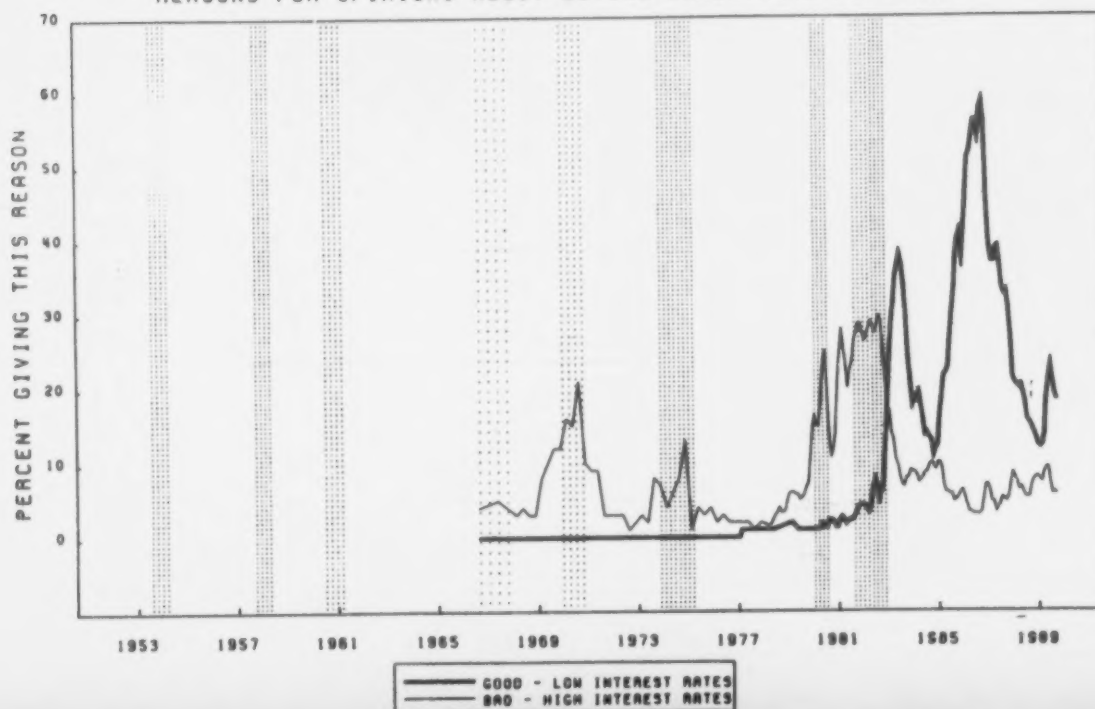
TABLE 26

SELECTED REASONS FOR OPINIONS ABOUT BUYING CONDITIONS FOR CARS +

	Sept 1988	Oct. 1988	Nov. 1988	Dec. 1988	Jan. 1989	Feb. 1989	Mar. 1989	Apr. 1989	May 1989	June 1989	July 1989	Aug. 1989	Sept 1989
GOOD TIME TO BUY:													
Prices are low; good buys available	31%	31%	27%	26%	28%	30%	27%	32%	29%	33%	32%	35%	32%
Prices won't come down; are going higher	14	13	15	17	18	14	12	12	14	11	15	14	10
Interest rates are low	14	12	14	11	11	15	15	25	23	21	19	18	18
Borrow-in-advance of rising interest rates	6	7	4	7	7	6	5	4	4	2	2	4	2
Times are good; prosperity	4	4	4	4	5	4	3	3	3	2	3	2	4
BAD TIME TO BUY:													
Prices are high	17	19	17	18	17	17	18	16	16	18	18	22	19
Interest rates are high; credit is tight	9	8	7	9	7	6	13	9	6	7	4	7	6
Times are bad; can't afford to buy	2	3	2	4	2	4	2	3	4	3	2	2	5
Bad times ahead; uncertain future	2	1	2	3	1	1	2	3	2	1	1	2	1
Poor selection; quality	3	5	3	2	4	3	3	2	3	2	3	2	3

Responses to the query: "Why do you say so?" following the question on Table 25.
 + : May add to more than 100% due to multiple mentions.

CHART 26C - HISTORICAL SERIES
 REASONS FOR OPINIONS ABOUT BUYING CONDITIONS FOR CARS



EXPLANATORY CHARTS

CHART 1 - RECENT CHANGES

THE INDEX OF CONSUMER SENTIMENT

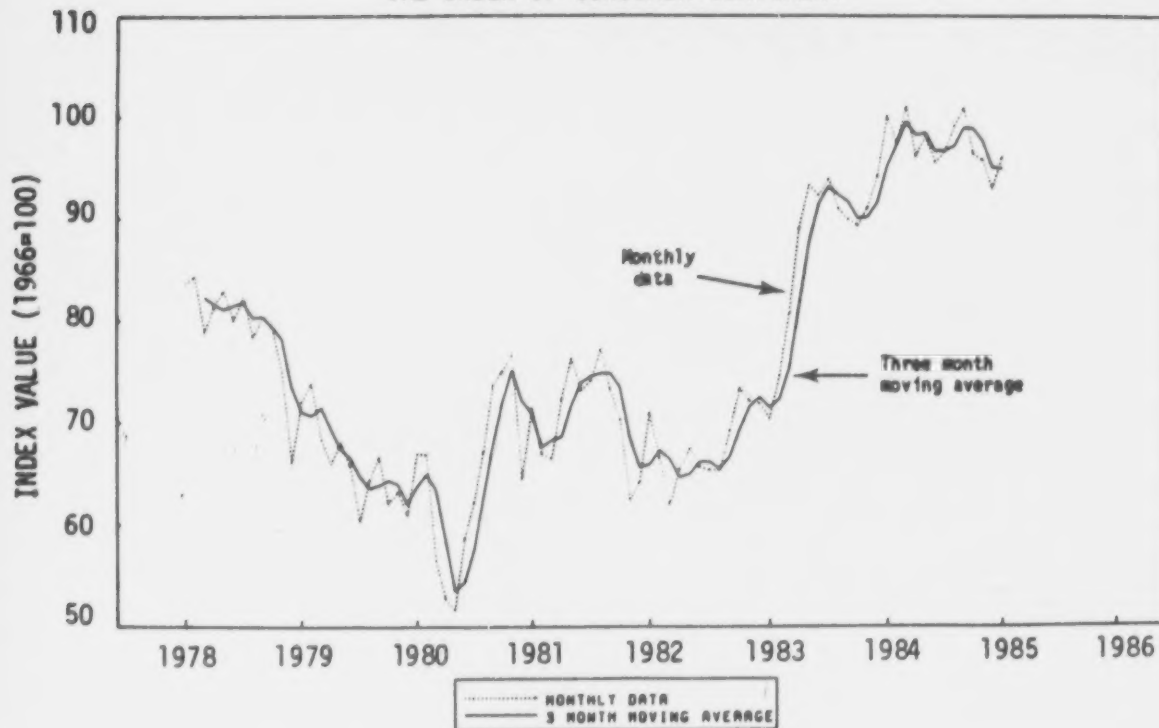
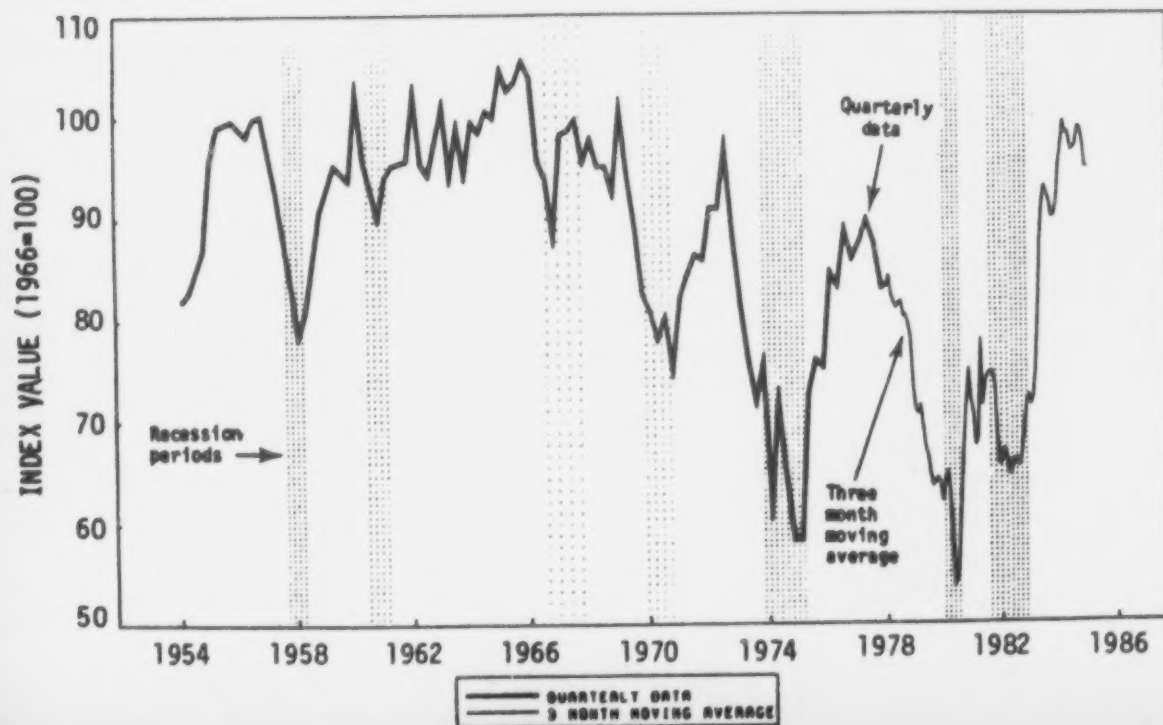


CHART 1 - HISTORICAL SERIES

THE INDEX OF CONSUMER SENTIMENT



DESCRIPTION OF CHARTS

DATA POINTS

QUARTERLY DATA: Data collected by surveys conducted at three month intervals before 1978.

MONTHLY DATA: Data collected by surveys conducted each month since January of 1978.

THREE-MONTH MOVING AVERAGE: Each point plotted represents the average of the three monthly observations ending at the date plotted.

TIME SCALE

Each tic mark on the time scale represents the month of January for the indicated year.

RECESSION PERIODS

November	1948 - October	1949
July	1953 - May	1954
August	1957 - April	1958
April	1960 - February	1961
June	1966 - November	1967*
December	1969 - November	1970
November	1973 - March	1975
January	1980 - July	1980
July	1981 - November	1982

Recession dates are determined by the National Bureau of Economic Research.

RECESSION PERIOD: Reduction in the national output of goods and services, generally lasting at least two quarters

***GROWTH RECESSION:** Retardation in the rate of growth of output and employment (usually followed by a recession and always the initial stage of a recession).

RECOMMENDED ALLOWANCE FOR SAMPLING ERROR OF A PERCENTAGE
(Sampling Error Allowance in Percentage Points¹)

For Estimated Percentage Near	Number of Interviews											
	100	200	300	400	500	750	1000	1250	1500	2000	2500	3000
1% or 99%	2.2	1.6	1.3	1.1	1.0	0.8	0.7	0.6	0.6	0.5	0.4	0.4
5% or 95%	4.9	3.5	2.8	2.4	2.2	1.8	1.5	1.4	1.3	1.1	1.0	0.9
10% or 90%	6.7	4.8	3.9	3.4	3.0	2.4	2.1	1.9	1.7	1.5	1.3	1.2
20% or 80%	9.0	6.3	5.2	4.5	4.0	3.3	2.8	2.5	2.3	2.0	1.8	1.6
30% or 70%	10.3	7.3	5.9	5.1	4.6	3.7	3.2	2.9	2.6	2.3	2.0	1.9
40% or 60%	11.0	7.8	6.3	5.5	4.9	4.0	3.5	3.1	2.8	2.4	2.2	2.0
50%	11.2	7.9	6.5	5.6	5.0	4.1	3.5	3.2	2.9	2.5	2.2	2.0

¹The figures in this table represent two standard errors. Hence, the chances are 95 in 100 that the true percentage lies within a range equal to the observed percentage, plus or minus the sampling error.